

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6351

BILL NUMBER: SB 194

NOTE PREPARED: Dec 6, 2012

BILL AMENDED:

SUBJECT: Right to Rescind Purchase of Used Motor Vehicle.

FIRST AUTHOR: Sen. Randolph

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill permits the purchaser of a used motor vehicle purchased from a dealer to rescind the purchase of the vehicle within 72 hours after purchase under certain circumstances if the vehicle has a defect that substantially impairs the use, market value, or safety of the vehicle. The bill also makes technical corrections.

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues: Under the bill, individuals who wish to rescind used auto purchases under the guidelines created in the bill and are rebuffed by the selling party are entitled to bring a civil action. As a result, this bill may increase the number of civil actions that occur in the state.

Court Fee Revenue: If additional civil actions occur and court fees are collected, revenue to the state General Fund may increase. A civil costs fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

In addition, some or all of the judicial salaries fee (\$20), public defense administration fee (\$5), court administration fee (\$5), and judicial insurance adjustment fee (\$1) are deposited into the state General Fund. Revenue from the pro bono services fee (\$1) is transferred by the State Auditor to the Indiana Bar Foundation for use to assist with pro bono legal services programs in Indiana. And, proceeds from the automated record

keeping fee (\$5) are deposited into the state User Fee Fund.

Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 civil costs fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge, depending upon the particular type of case.

Persons filing a civil case are also required to pay the following fees that are deposited in local funds.

The document storage fee (\$2) is deposited into the clerk record perpetuation fund.

The following fees are deposited into the general fund of the county in which the court is located:

- Document fees (\$1 per document) are charged for preparing transcripts or copies of record or certificate under seal.
- Service fees (\$10) are collected from the filing party for each defendant beyond the first cited in the lawsuit.

State Agencies Affected:

Local Agencies Affected: Trial courts, city and town courts.

Information Sources:

Fiscal Analyst: Bill Brumbach, 232-9559.