

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 126 – HB 132

March 10, 2015

**SUMMARY OF ORIGINAL BILL:** Defines "curbstoning" as the practice of selling, offering for sell, advertising for sale, or soliciting the sale of: (1) any motor vehicle without a properly endorsed certificate of title by a person or entity not licensed as a motor vehicle dealer, or (2) more than five motor vehicles in any 12-month period when such vehicles are titled in the selling person's or entity's name if such person or entity is not licensed as a motor vehicle dealer.

Permits law enforcement entities to seize vehicles offered for sale through the practice of curbstoning under certain circumstances. Authorizes law enforcement entities to sell any such seized motor vehicles. Allocates revenue derived from the sale of seized vehicles as follows: 75 percent to the entity responsible for the seizure, 10 percent to the state General Fund; and 15 percent to the Department of Commerce and Insurance.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue –  
Exceeds \$4,500/General Fund  
Exceeds \$6,800/Department of Commerce and Insurance

Increase Local Revenue - Exceeds \$33,700

**SUMMARY OF AMENDMENT (002009):** Deletes and rewrites Section 1 amending the definition of "curbstoning" to include a person or entity selling, offering for sell, advertising for sale, or soliciting the sale of: (1) any motor vehicle without a properly endorsed certificate of title by a person or entity not licensed as a motor vehicle dealer, or (2) more than five motor vehicles in any 12-month period when such vehicles are titled in the selling person's or entity's name if such person or entity is not licensed as a motor vehicle dealer.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- The number of vehicles that will be seized pursuant to this bill is unknown; however, it is reasonably estimated that there will be at least nine vehicles subject to forfeiture each year statewide (or approximately three from each grand division of the state).

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- The average retail value of such vehicles is unknown, but is reasonably estimated to average \$5,000 per vehicle.
- The recurring increase in revenue is estimated to exceed \$45,000 (9 x \$5,000).
- Seizing entities will primarily be local law enforcement.
- The minimum \$45,000 in additional revenue will be allocated as follows: at least \$33,750 to local law enforcement (\$45,000 x 75%); at least \$4,500 to the state General Fund (\$45,000 x 10%); and at least \$6,750 to the Department of Commerce and Insurance (\$45,000 x 15%).
- Any additional cost to local governments to store nine vehicles is estimated to be not significant.
- A small increase in cases in the court system, which will result in additional state and local government expenditures for processing the cases and additional state and local government revenue from fees, taxes and costs collected. These expenditures and revenue are estimated to be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

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