



## Fast Track Proposed Regulation Agency Background Document

<b>Agency name</b>	Department of Motor Vehicles (DMV)
<b>Virginia Administrative Code (VAC) citation</b>	24VAC20-90
<b>Regulation title</b>	Evidence Required to Permit Registration or Reregistration of Vehicles for which Proof of Tax Payment and of State Corporation Commission Registration is Required
<b>Action title</b>	Repeal of Regulation
<b>Date this document prepared</b>	March 26, 2013

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Orders 14 (2010) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

### Brief summary

*Please provide a brief summary (no more than 2 short paragraphs) of the proposed new regulation, proposed amendments to the existing regulation, or the regulation proposed to be repealed. Alert the reader to all substantive matters or changes.*

DMV proposes to repeal the regulations entitled *Evidence Required to Permit Registration or Reregistration of Vehicles for which Proof of Tax Payment and of State Corporation Commission Registration is Required* at 24VAC20-90. The 2013 General Assembly (HB 2080, Chapter 226 of the 2013 Acts of Assembly) amended § 46.2-649 "Certain vehicles required to show evidence of payment of taxes and of registration or exemption from registration with Department of Motor Vehicles" to remove the requirement that the Commissioner promulgate regulations.

Currently § 46.2-649 requires the Commissioner to promulgate regulations regarding the kinds of evidence that can be used to prove that all local, state, and federal taxes have been paid on any motor vehicle, trailer, or semitrailer required to be registered under §§ 46.2-697, 46.2-698, 46.2-700 or § 46.2-703. Before promulgating the regulations the statute requires the Commissioner to consult with local commissioners of revenue and directors of finance, and with appropriate federal officials on the kinds of evidence that can be used to prove that all local, state, and federal taxes have been paid. HB 2080 removed the regulatory requirement. The Commissioner will still be required to consult with local and federal officials. However, guidance will be issued on the kinds of evidence that can be used to prove that

all local, state, and federal taxes have been paid. Removing the regulatory requirement from § 46.2-649 prevents the Commissioner from having to go through the lengthy Administrative Process Act requirements to amend the regulation to add new methods and types of evidence that may be used to prove that all local, state, and federal taxes have been paid. HB 2080 is part of DMV’s regulatory reform package to comply with the Governor’s regulatory reform initiative.

*Evidence Required to Permit Registration or Reregistration of Vehicles for which Proof of Tax Payment and of State Corporation Commission Registration is Required* at 24VAC20-90 requires DMV to verify from records supplied by the taxing authorities and the State Corporation Commission (SCC) that state and local taxes have been paid before registering or reregistering a motor vehicle, trailer or semitrailer, with a gross weight of 33,000 pounds or more. If DMV records indicate that taxes assessed against a motor vehicle, trailer or semitrailer have not been paid, the applicant must pay the taxes owed and obtain a receipt from the taxing authority indicating that the taxes assessed against the vehicle have been paid in full. If DMV records indicate that the registration requirements of the SCC have not been satisfied, DMV will not register the motor vehicle, trailer or semitrailer until such time as the SCC verifies by telephone or other direct means of communication that the applicant has complied with the SCC registration requirements.

**Statement of final agency action**

*Please provide a statement of the final action taken by the agency including (1) the date the action was taken, (2) the name of the agency taking the action, and (3) the title of the regulation.*

The regulations were promulgated by DMV and became effective in August of 1990.

**Legal basis**

*Please identify the state and/or federal legal authority to promulgate this proposed regulation, including (1) the most relevant citations to the Code of Virginia or General Assembly chapter number(s), if applicable, and (2) promulgating entity, i.e., agency, board, or person. Your citation should include a specific provision authorizing the promulgating entity to regulate this specific subject or program, as well as a reference to the agency/board/person’s overall regulatory authority.*

Pursuant to §§ 46.2-203 of the Code of Virginia DMV has general authority to regulate in this area. However, specific authority to regulate this area was removed from § 46.2-649 of the Code by Chapter 226 of the 2013 Acts of Assembly.

**Purpose**

*Please explain the need for the new or amended regulation. Describe the rationale or justification of the proposed regulatory action. Detail the specific reasons the regulation is essential to protect the health, safety or welfare of citizens. Discuss the goals of the proposal and the problems the proposal is intended to solve.*

This regulatory action is necessary to eliminate DMV’s regulations entitled *Evidence Required to Permit Registration or Reregistration of Vehicles for which Proof of Tax Payment and of State Corporation*

*Commission Registration at 24VAC20-90. Specific authority to regulate was removed from the Code by Chapter 226 of the 2013 Acts of Assembly. The regulatory requirements are codified in the Code of Virginia. The regulations are redundant.*

**Rationale for using fast track process**

*Please explain the rationale for using the fast track process in promulgating this regulation. Why do you expect this rulemaking to be noncontroversial?*

*Please note: If an objection to the use of the fast-track process is received within the 30-day public comment period from 10 or more persons, any member of the applicable standing committee of either house of the General Assembly or of the Joint Commission on Administrative Rules, the agency shall (i) file notice of the objections with the Registrar of Regulations for publication in the Virginia Register, and (ii) proceed with the normal promulgation process with the initial publication of the fast-track regulation serving as the Notice of Intended Regulatory Action.*

Repeal of this regulation is not anticipated to be controversial since the regulations are redundant.

**Substance**

*Please briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. (Provide more detail about these changes in the "Detail of changes" section.) Please be sure to define any acronyms.*

There are no substantive changes. The regulation is being repealed.

**Issues**

*Please identify the issues associated with the proposed regulatory action, including:*  
*1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions;*  
*2) the primary advantages and disadvantages to the agency or the Commonwealth; and*  
*3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, please indicate.*

There are no disadvantages to the public in repealing this regulation.

**Requirements more restrictive than federal**

*Please identify and describe any requirement of the proposal which is more restrictive than applicable federal requirements. Include a rationale for the need for the more restrictive requirements. If there are no applicable federal requirements or no requirements that exceed applicable federal requirements, include a statement to that effect.*

This section does not apply because this regulation is being repealed.

**Localities particularly affected**

*Please identify any locality particularly affected by the proposed regulation. Locality particularly affected means any locality which bears any identified disproportionate material impact which would not be experienced by other localities.*

There are no localities that would be particularly affected.

**Regulatory flexibility analysis**

*Please describe the agency’s analysis of alternative regulatory methods, consistent with health, safety, environmental, and economic welfare, that will accomplish the objectives of applicable law while minimizing the adverse impact on small business. Alternative regulatory methods include, at a minimum: 1) the establishment of less stringent compliance or reporting requirements; 2) the establishment of less stringent schedules or deadlines for compliance or reporting requirements; 3) the consolidation or simplification of compliance or reporting requirements; 4) the establishment of performance standards for small businesses to replace design or operational standards required in the proposed regulation; and 5) the exemption of small businesses from all or any part of the requirements contained in the proposed regulation.*

This section does not apply because this regulation is being repealed.

**Economic impact**

*Please identify the anticipated economic impact of the proposed new regulations or amendments to the existing regulation. When describing a particular economic impact, please specify which new requirement or change in requirement creates the anticipated economic impact.*

This regulation is being repealed. There is no economic impact.

<b>Projected cost to the state to implement and enforce the proposed regulation, including (a) fund source / fund detail, and (b) a delineation of one-time versus on-going expenditures</b>	\$0. This action will not result in any additional cost to implement.
<b>Projected cost of the new regulations or changes to existing regulations on localities.</b>	\$0. This action will not result in any additional cost on localities to implement.
<b>Description of the individuals, businesses or other entities likely to be affected by the new regulations or changes to existing regulations.</b>	Individuals that need to prove tax payments have been made may be affected in a positive way by elimination of the regulatory requirement. DMV will issue guidance on the evidence that may be used for proof of tax payments. The Commissioner will still be required to consult with local and federal officials. However, guidance will be issued on the kinds of evidence that can be used to prove that all local, state, and federal taxes have been paid. Removing the regulatory requirement provides

	more flexibility in accepting new methods and types of evidence that may be used to prove that all local, state, and federal taxes have been paid that takes into account changes in technology.
<b>Agency’s best estimate of the number of such entities that will be affected. Please include an estimate of the number of small businesses affected.</b> Small business means a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.	The number of individuals who will need to prove that tax payments have been made is not quantifiable.
<b>All projected costs of the <i>new regulations or changes to existing regulations</i> for affected individuals, businesses, or other entities. Please be specific and include all costs. Be sure to include the projected reporting, recordkeeping, and other administrative costs required for compliance by small businesses. Specify any costs related to the development of real estate for commercial or residential purposes that are a consequence of the proposed regulatory changes or new regulations.</b>	This action will not affect costs for individuals, businesses, or other entities.
<b>Beneficial impact the regulation is designed to produce.</b>	Elimination of the regulatory requirement allows DMV to issue guidance regarding types of evidence that may be used to prove that all local, state, and federal taxes have been paid in consultation with local and federal officials.

**Alternatives**

*Please describe any viable alternatives to the proposal considered and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the action. Also, include discussion of less intrusive or less costly alternatives for small businesses, as defined in §2.2-4007.1 of the Code of Virginia, of achieving the purpose of the regulation.*

There is no viable alternative to repealing this regulation.

**Family impact**

*Please assess the impact of the proposed regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one’s spouse, and one’s children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.*

The repeal of this regulation will have no impact on the institution of the family and family stability.

**Detail of changes**

*Please list all changes that are being proposed and the consequences of the proposed changes. If the proposed regulation is a new chapter, describe the intent of the language and the expected impact. Please describe the difference between existing regulation(s) and/or agency practice(s) and what is being proposed in this regulatory action.*

*If the proposed regulation is intended to replace an emergency regulation, please list separately (1) all differences between the **pre-emergency** regulation and this proposed regulation, and (2) only changes made since the publication of the emergency regulation.*

For changes to existing regulation(s), use this chart:

<b>Current section number</b>	<b>Proposed new section number, if applicable</b>	<b>Current requirement</b>	<b>Proposed change, intent, rationale, and likely impact of proposed requirements</b>

If a new regulation is being promulgated, use this chart:

<b>Section number</b>	<b>Proposed requirements</b>	<b>Other regulations and law that apply</b>	<b>Intent and likely impact of proposed requirements</b>

This section does not apply because this regulation is being repealed.