



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 540

PRINTER'S NO. 1786

PRIME SPONSOR: McNeill

COST / (SAVINGS)

FUND	FY 2023/24	FY 2024/25
Motor License Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY: HB 540 PN 1786 prohibits early termination fees of leased vehicles, when the lease is terminated due to a medical recall of driving privileges by PennDOT. This legislation would take effect in 180 days.

ANALYSIS: Legislation amends Title 75 (Vehicles) Section 1519(c) (relating to determination of competency), to make technical changes by removing references to medical suspension of driving privileges for failure to comply and incorporating those provisions as a medical recall of driving privileges.

Additionally, the bill provides that a lessee requesting early termination of a lease is not liable for any penalty or early termination charges, provided by the lease, if the lessee's driving privileges have been recalled for medical reasons and the lessee's billing address is located in Pennsylvania.

FISCAL IMPACT: The enactment of this legislation would have a fiscal impact to Commonwealth funds, however the cost is unknown due to a number of factors. The first factor includes the number of annual medical recalls specific to leases, as there are approximately 8,000 medical recalls annually, but it is unknown how many medically recalled customers own vs lease their vehicles and will take advantage of the opportunity for the registrations refund. Another factor to consider is the annual registration fees. The typical passenger vehicle registration is \$45.00 while truck registration fees vary based on weight. Furthermore, an individual whose license is recalled for medical purposes already receives free initial issuance of a non-REAL ID identification card. For the reasons listed, the actual impact is unknown and Commonwealth costs would be realized within the Motor License Fund.

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House Appropriations Committee (D)

DATE: October 2, 2023

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.