

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: HB1386ER

Patron: Wyatt

Bill Title: Motor Vehicle Transaction Recovery Fund; recovery for breach of extended service contracts.

Bill Summary: Authorizes any person who is awarded a final judgment in a court of competent jurisdiction in the Commonwealth for any loss or damage resulting from a breach of a motor vehicle extended service contract by a licensed or registered motor vehicle dealer participating in the Motor Vehicle Transaction Recovery Fund to recover the unpaid amount on the judgment from the Motor Vehicle Transaction Recovery Fund, subject to certain limitations.

Budget Amendment Necessary: No

Items Impacted: N/A

Explanation: N/A

Fiscal Summary: The fiscal impact on the Motor Vehicle Dealer Board and Motor Vehicle Transaction Recovery Fund nongeneral fund expenditures is indeterminate at this time.

Fiscal Analysis: The Motor Vehicle Dealer Board (Board) estimates the bill will increase the volume of verified claims, eligibility reviews and coordination with courts and legal counsel. The increased claim volume will escalate financial exposure for the Transaction Recovery Fund, requiring closer monitoring of fund balances, reimbursement activity and long-term solvency and could ultimately necessitate fee adjustments, tighter claim criteria or additional guidance or regulations. There is insufficient data to more precisely estimate the increase in verified claim volume, and the fiscal impact on the Board and Motor Vehicle Transaction Recovery Fund is indeterminate at this time.