

Cost of Vehicle Ownership/Modification Fact Sheet

When a BRS consumer is requesting assistance from BRS for vehicle modification services, or, when a consumer is considering becoming a vehicle owner for the first time, it is important that the consumer has an understanding of the actual cost of owning and maintaining a vehicle. This information will help the consumer in deciding whether the choice of vehicle ownership makes sense in light of the vocational goal and expected income. The consumer needs to be aware that when BRS does participate in vehicle modification services, BRS will not participate in the cost for upkeep and repairs of the vehicles; these costs are the sole responsibility of the consumer.

The actual cost of vehicle ownership goes well beyond the cost of gasoline and oil changes. Consumers need to be aware of and to plan for the cost of the purchase of the vehicle (loan payments), annual property taxes, insurance, DMV fees and maintenance of the vehicle.

Vehicle Purchase – Most popular minivans range from \$25,000 to over \$40,000, depending on the model and optional equipment selected. Even a modestly equipped vehicle selling for \$30,000 will cost the owner over \$600 per month when financed over 5 years. For example:

Vehicle Cost	\$30,000
Sales Tax -6.35%	\$ 1,905
Total Financed	\$31,905

At a 6% annual interest rate*, borrowed over 60 months (5 years) the monthly payment would be approximately \$613.74 per month.

*Interest rates will vary based on the term of the loan, the buyer's credit rating and/or dealer incentives in effect at the time of purchase. Depending on these factors, the above example can vary from a low of \$530/month (0% interest) to \$702/month (12% interest) or higher.

Property Taxes – Most privately owned motor vehicles are subject to personal property taxes in Connecticut, payable to the town where the vehicle's owner lives. The tax due is based on 70% of the retail value of the vehicle multiplied by the municipality's current taxation mill rate. Depending on the value of the vehicle and the mill rate applied, this can range from a few hundred dollars per year to \$1,000 or more per year (the rates are highest for a new vehicle).

However, many municipalities provide exemptions for this tax to persons with severe disabilities. Consumers should inquire at their town's Tax Assessors Office to determine their responsibility for taxes.

Insurance – Automobile insurance is required by law in the State of Connecticut. Cost of insurance will vary greatly between different insurance companies, and will vary by

the age and driving history of the principle driver of the vehicle, as well as the level of insurance coverage chosen. Consumers should adequately insure the value of their vehicle with the modifications included in the coverage. Consumers should be prepared to pay \$100 to \$200 per month or more for insurance.

Vehicle Registration - All vehicles owned by persons living in Connecticut are required to be registered with DMV in Connecticut; registration must be renewed every two years, and registration for passenger vehicles is \$80.00 per each 2 year renewal. Connecticut law also requires Emissions testing every two years for each vehicle, at a cost of \$20 per testing.

Maintenance – Even new vehicles will require ongoing maintenance to maintain good functioning. While many manufacturers offer extended warranties (up to 100,000 miles in many instances) at an additional cost to the purchaser, these generally do not cover routine maintenance and ongoing wear and tear, such as tires, brakes, oil changes, alignments, etc.

- Regular oil changes (usually every 3,000 – 5,000 miles) are critical for maintaining the engine function and long-life of a vehicle. Oil changes will cost \$25-\$100 per service.
- Brakes also need to be serviced regularly; usually every 40-50,000 miles. Typically new brakes can cost \$300 to \$700.
- A set of four new tires can be \$600 to over \$1,000, and will need replacement every 35-50,000 miles.

Consumers will need to plan for these on-going “maintenance” kinds of costs for their vehicles to keep the vehicle functioning in a safe and efficient manner and to ensure longer life for the vehicle.

The adaptive equipment in a modified vehicle will also require regular maintenance. Consumers should be aware that the ongoing and customary maintenance of both the vehicle and any adaptive equipment installed is their responsibility. Consumers who have their vehicle modified should request an estimate of annual upkeep costs from the vendor at the time that their vehicle is modified.

To be prepared for required maintenance or repair of their vehicle, consumers should set aside funds each month, perhaps in a separate account.

Example - For a vehicle that is driven 15,000 miles per year:

- 3 oil changes per year - \$75 - \$300 per year
- Tires during the 3rd year - \$600-\$1,000 (approx. \$200-\$330 per year)
- Brakes repaired/replaced during the 3rd year - \$300- \$700 (approx. \$100-\$230 per year)
- Total estimated expense per year for routine maintenance - \$375-\$860 per year, or an average of about \$51 per month at a minimum; vehicles will also require other regular service, suggested by the manufacturer (alignments, fluid changes, inspection, etc).

Fuel – The cost of gasoline or diesel fuel can vary greatly; this will directly affect the day-to-day cost of operating the vehicle. The cost will also vary depending on the average fuel economy of the vehicle and the number of miles driven each month. A typical driver who averages 15,000 miles annually in a vehicle which averages 20 miles per gallon can expect to pay between \$125 to \$250 and more per month for fuel, depending on the price at the pump.

Summary/Example of Estimated Monthly Cost of Vehicle Ownership –

- \$613.74 - Vehicle purchase cost (loan re-payment)
- \$90/month - Property taxes, new vehicle
- \$150/month - Insurance
- \$51/month - Routine maintenance
- \$4.16/month - registration and emissions fees
- \$291.00 - gasoline (for average 15,000miles/year; 20mpg fuel efficiency; average gas cost of \$3.75/gallon)
- Approximately \$1200.00/month – Estimate/Example of Total monthly cost

As shown by the above, the actual cost of vehicle ownership varies greatly and is dependent upon many different variables. Even at the lower end of the continuum the actual cost of vehicle ownership can be close to \$1,000 per month and can easily escalate to be much higher. Consumers need to be aware of the potential costs involved and have a realistic plan to address them before collaborating with BRS on a vehicle modification service, or before deciding to become a vehicle owner.

Maintenance for High Tech Equipment

One important fact that consumers who are using high-tech equipment on their modified van must be aware of is that these vehicles must be started and the engine must be run, without any accessories running, (i.e. heater, lights, radio, etc) *at least 10 minutes every 3-5 days* in order to keep the battery properly charged.

In addition, the maintenance costs for high tech equipment are significantly greater than normal maintenance on a van or other vehicle. For example, every 500 hours (approximately 10,000 to 15,000 miles) the equipment will require the user to return to the van modification vendor for work. This can cost as much as \$700.00.

At 2,500 hours, all equipment needs to be removed from the vehicle, shipped to the manufacturer to be tested, and, any necessary required upgrades (for safety purposes) will be applied. The equipment then needs to be shipped back to the vendor and reinstalled. For this service at 2,500 hours (50,000 to 75,000 miles) the cost could run as high as \$6,000.00 to \$7,000.00. This also means the consumer will be unable to operate their vehicle for approximately 3 to 4 weeks. At 5,000 hours (100,000 to 150,000 miles), all of the primary control equipment will need to be replaced.

All maintenance costs are the responsibility of the client. Most of these vehicles will require replacement after 150,000 miles. If the vehicle is replaced at this high mileage level, it may be possible for BRS to participate in modifying the replacement vehicle; see BRS Policy Manual, Chapter III, Section 4(g) for details.

I have read and understand my responsibilities for maintenance and repair of my vehicle modification.

Consumer Signature: _____ Date: _____

Counselor Signature: _____ Date: _____