

## Department of Planning and Budget

### 2011 Fiscal Impact Statement

**1. Bill Number:** HB2458

**House of Origin**    ☐ Introduced    ☒ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:**    Abbitt

**3. Committee:** Transportation

**4. Title:**    Demolished or dismantled motor vehicles; licensee requirements.

**5. Summary:** This bill sets out procedures by which licensees and scrap metal processors may demolish or dismantle certain motor vehicles. The provisions of the bill become effective as of October 1, 2011.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Preliminary. See Item #8.

**7b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2011	-	-
2012	\$100,000	DMV Funds
2013	\$100,000	DMV Funds
2014	\$100,000	DMV Funds
2015	\$100,000	DMV Funds
2016	\$100,000	DMV Funds
2017	\$100,000	DMV Funds

**8. Fiscal Implications:** Current salvage law, updated in the 2010 Session of the General Assembly, added a requirement for salvage yards and scrap metal processors that, under certain circumstances, would force them to hold a vehicle for up to 10 days before they were permitted to demolish it. Small salvage operators may have difficulty storing vehicles for this length of time as they do not have sufficient space. The bill would allow salvage licensees and scrap metal processors to exempt themselves from the 10 day waiting period, provided there is either a title or the vehicle is 10 years old or greater.

Businesses entering into a written agreement with the Department of Motor Vehicles (DMV) would gain secure access to update DMV vehicle records indicating that they were to be crushed or dismantled. The vehicle's title would then be cancelled. The inquiry into DMV's records would occur prior to the destruction of the vehicle and, in each case, DMV would check national crime databases to determine if the vehicle has been reported as stolen. The licensee or scrap processor would be required to wait for DMV's notification of the results of the inquiry before initiating the action.

Newer vehicles, less than 10 years old, would require a title or non-repairable certificate in order to demolish. Otherwise, the vehicle would be required to be entered into DMV's

Abandoned Vehicle Process, which includes written notices to any owner/lienholder of record.

It is estimated that salvage licensees and scrap metal processors will process up to 5,000 salvage vehicles annually that are unaccompanied by a certificate of title or non-repairable certificate. The cost to process these undocumented vehicles would be \$20 each (\$10 for the replacement title and a \$10 transaction fee).

The Department of Motor Vehicles will fund the development (estimated at \$69,100) and maintenance associated with allowing secure, remote access to submit transactions with the revenues generated from the \$10 transaction fee. No additional funding is required.

**9. Specific Agency or Political Subdivisions Affected:** Department of Motor Vehicles.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.

**Date:** 2/4/11

**Document:** G:\10-12\2011\FIS\HB2458H1.Doc Janet Vogelgesang

cc: Secretary of Transportation