

Department of Planning and Budget 2023 Fiscal Impact Statement

1. Bill Number: SB1064

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Spruill

3. Committee: Passed Both Houses

4. Title: Vehicle documentation; licensed auto recyclers

5. Summary: This bill establishes a process whereby an insurance company can obtain a nonrepairable certificate for a vehicle acquired through the claims process without first obtaining a title or salvage certificate for such vehicle, provided that the insurance company is unable to obtain the assigned title or salvage certificate from the insured and has determined the vehicle to be a nonrepairable vehicle; any lien on the vehicle has been satisfied; and the vehicle is being sold to a demolisher, salvage dealer, or scrap metal processor for the purpose of recycling parts, dismantling, demolishing, or recycling for scrap.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final. See Item #8.

8. Fiscal Implications: A minimal loss of annual revenue is anticipated for the Department of Motor Vehicles (DMV) due to the elimination of titles and salvage certificates for the vehicles that would be sold under this process. The number of vehicles that would be processed in a year is expected to be very low; however, the agency does not have enough data to provide a formal estimate. In addition, these vehicles are currently sitting, unable to be transferred into the insurance companies' names or sold to any purchaser for any purpose, so there is a public interest in allowing them to be removed permanently from the road.

The bill would require changes to DMV and online processing systems to permit insurance companies to transfer ownership and obtain nonrepairable certificates electronically for certain vehicles acquired through the claims process that will be sold for demolition or dismantling without first obtaining a title or salvage certificate. The provisions of the bill can be implemented during the normal course of business with current staff and resources.

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

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is a companion to HB 1661.