



Am. S.B. 201*

124th General Assembly

(As Reported by S. Highways and Transportation)

Sen. Armbruster

BILL SUMMARY

- Establishes a two-year license cycle for a motor vehicle salvage dealer, a salvage motor vehicle auction, a salvage motor vehicle pool, and a salvage motor vehicle buyer's identification card.
- Requires a compliance inspection of a licensed motor vehicle salvage dealer one time within each two-year license cycle as a condition of license renewal and retention of any buyer's identification card.
- Requires a felony criminal records check conducted by the Bureau of Criminal Identification and Investigation for applicants for a motor vehicle salvage dealer, a salvage motor vehicle auction, and a salvage motor vehicle pool who have not held one of those licenses within the past 12 months, and for every applicant for a buyer's identification card.

CONTENT AND OPERATION

Background

Current law requires a person to be licensed in order to engage in the business of selling salvage motor vehicles or parts and prohibits any person from operating as a salvage motor vehicle auction or salvage motor vehicle pool without being licensed (sec. 4738.02, not in the bill). (See **COMMENT** for definitions.) The Registrar of Motor Vehicles is the licensing authority for salvage motor vehicle-related licenses and the Motor Vehicle Salvage Dealer's Licensing Board is the regulatory body governing the dealers. Current law also requires a buyer's

* *This analysis was prepared before the report of the Senate Highways and Transportation Committee appeared in the Senate Journal. Note that the list of co-sponsors and the legislative history may be incomplete.*

identification card issued by the Registrar if a licensed salvage motor vehicle dealer or the dealer's employees wish to purchase salvage motor vehicles at salvage motor vehicle auctions or pools.

License expiration and fees

Under current law, salvage motor vehicle-related licenses are valid for one year, expiring on the last day of July unless sooner suspended or revoked. The bill establishes a two-year license cycle. Under the bill, licenses will expire biennially on the last day of July. An application for a license or license renewal must be made before the first day of July in the year in which the license will expire, rather than before the first day of August as in existing law. The bill doubles the fee for the initial issuance or renewal of a motor vehicle salvage dealer's license, a salvage motor vehicle auction license, and a salvage motor vehicle pool license from \$50 in existing law to \$100. (Sec. 4738.05.)

Similarly, each buyer's identification card issued after the effective date of the bill will expire biennially on the last day of July of each two-year cycle and an application for renewal of a card must be filed before the first day of July in the year that the card expires. The fee for each buyer's identification card issued or renewed increases under the bill from \$10 to \$35. (Sec. 4738.18(B).)

The bill also increases the fee for a certified or duplicate copy of a license from \$1 to \$5. Under existing law and the bill, a licensee must have a certified copy of the license for each place of business the person operates. (Sec. 4738.05.)

Inspection

Under current law, when a person is first issued a salvage motor vehicle-related license, the license has provisional status for 180 days. Within that time, the Registrar is required to have the license holder's place of business inspected to determine whether the holder has complied with all the applicable license requirements. This required inspection occurs only the first time a person is issued a license and is not currently required for subsequent renewals of a license. Among other licensing requirements, motor vehicle salvage dealers must operate the business primarily for the purpose of selling salvage motor vehicle parts at retail. Dealers also must have an established place of business that meets administrative standards, including fencing, office space, record keeping, and signage. If the dealer passes the inspection, the license loses its provisional status. If the dealer fails the inspection, the provisional license is revoked, subject to appeal to the Motor Vehicle Salvage Dealer's Licensing Board. (Secs. 4738.03 and 4738.071, not in the bill.)

The bill retains the inspection of provisional license holders but additionally requires the Registrar to inspect each licensed motor vehicle salvage dealer at least one time during the license holder's two-year license cycle to determine if the license holder is in compliance with all applicable requirements. The Registrar is prohibited from renewing a license without conducting such an interim inspection and finding that the licensee is in compliance with licensing requirements. (Secs. 4738.05 and 4738.19(A).)

Following each interim inspection, the license holder must be given written notice of compliance or noncompliance. If the Registrar determines that the license holder is not in compliance, the written notice must inform the licensee that the person's license may not be renewed until the person is in compliance. The notice also must inform the license holder that any buyer's identification card issued to that person is immediately revoked, which the bill requires the Registrar to do. A noncompliance notice must state that the determination may be appealed to the Motor Vehicle Salvage Dealer's Licensing Board. (Secs. 4738.18 and 4738.19.)

When the Registrar determines not to renew a license or to revoke a buyer's identification card based on noncompliance discovered during an interim inspection, the bill requires the Registrar immediately to enter a final order together with findings. The order and findings next must be certified to the Motor Vehicle Salvage Dealer's Licensing Board. Under existing law, the Board hears appeals from a final order of the Registrar refusing to issue a license. Existing law also establishes the procedures for a hearing by the Board. (Secs. 4738.12, not in the bill, and 4738.19(D).)

When the Registrar determines that the license holder is in compliance with the law, the Registrar is required to renew the person's license and immediately reissue the license holder's buyer's identification card (sec. 4738.19(D)).

Criminal records check

Under current law, a person applying for issuance or renewal of a license for a motor vehicle salvage dealer, a salvage motor vehicle auction, or salvage motor vehicle pool must state, in addition to other required information, whether the applicant has previously been convicted of a felony. If the person has been convicted of a felony or has made a false statement of a material fact in the application, the Registrar must deny the application (sec. 4738.07, not in the bill). The bill retains this general requirement, but also imposes a criminal records check requirement.

Specifically, the bill requires the Registrar to request a criminal records check from the Bureau of Criminal Identification and Investigation (BCII) on any

applicant for a motor vehicle salvage dealer license or salvage motor vehicle auction license or a salvage motor vehicle pool license if the applicant for the license has not held any of the licenses within 12 months prior to the application. The Registrar also must request a record check on any applicant for a buyer's identification card. (Sec. 4738.20(A).) Upon receipt of a request, the BCII Superintendent must conduct the criminal records check to determine whether any information exists that indicates that the person previously was convicted of or pleaded guilty to a felony (sec. 109.571(A)).

Under the bill, the BCII Superintendent must prescribe a form to obtain the information necessary to conduct the criminal records check. The form must include the individual's name, social security number, and date of birth, and may include any other information the Superintendent considers necessary. The form may be in a tangible (paper) format, in an electronic format, or in both tangible and electronic formats. (Sec. 109.571(C).)

The Registrar must give a copy of the BCII form to each applicant who is required to submit to a criminal records check. At the same time, the Registrar must notify the applicant of any fee for the record check. The BCII Superintendent is required to prescribe and charge a reasonable fee for providing a salvage dealer criminal records check and the Registrar is required to pay the prescribed fee. However, the bill allows the Registrar to charge an applicant a fee for the costs incurred in obtaining BCII reports or abstracts. (Secs. 109.571(C) and 4738.20(F).)

If an applicant fails to complete the form or pay any fee, the Registrar is prohibited from issuing the license or buyer's identification card to the applicant. Once the form is completed, the Registrar must forward it with the fee to the BCII Superintendent and request the criminal records check (sec. 4738.20(B), (C), and (F)).

Following receipt of the request for a records check, the BCII Superintendent has 30 days to review any relevant information that the BCII has on the applicant and to send a report to the Registrar (sec. 109.571(B)). Under existing law, the information that the BCII has to review includes a summary from the clerk of the trial court of each case involving a felony and photographs, pictures, descriptions, fingerprints, measurements, and other pertinent information of all persons who have been convicted of a felony within this state (sec. 109.57, not in the bill).

The bill allows the Registrar to grant an applicant a provisional license or buyer's identification card if the BCII report is not received within the 30 days established for the BCII Superintendent to produce the information. If the BCII information indicates that the individual has ever pleaded guilty to or been found



guilty of any felony, the Registrar may not grant the license or buyer's identification card and must revoke any provisional license or card issued to the applicant. The bill requires the Registrar to provide each applicant with a copy of any BCII report or abstract. (Sec. 4738.20(D) and (E).)

Under the bill, the report of any criminal records check conducted based on a request from the Registrar is not a public record for purposes of the Public Records Law. The report may not be given to any person other than the individual who is the subject of the record check or the individual's representative and to court officials in a case dealing with the denial of the individual's license or buyer's identification card. (Sec. 4738.20(G).)

Buyer's identification card application

Current law requires a person who is applying for a buyer's identification card to use a form that the Registrar prescribes. The bill specifies that an application for a renewal of a buyer's card also must be on a form that the Registrar prescribes. Current law also specifies that an applicant for a buyer's card must be of good financial repute as verified by a credit report furnished to the Registrar. The bill eliminates the requirement that an applicant furnish a credit report and instead specifies that an applicant must be of good financial repute as prescribed by the Registrar. (Sec. 4738.18.)

COMMENT

Revised Code section 4738.01 (not in the bill) contains the following definitions:

- (A) "Motor vehicle salvage dealer" means any person who sells salvage motor vehicle parts and salvage motor vehicles or manufactures or sells scrap metal.
- (B) "Salvage motor vehicle" means any wrecked, dismantled, or worn out motor vehicle or a vehicle that is unfit for operation as a motor vehicle.
- (C) "Salvage motor vehicle auction" means any person who auctions salvage motor vehicles to motor vehicle salvage dealers.
- (D) "Salvage motor vehicle pool" means any person who as an agent for a third party, stores, displays, and offers salvage motor vehicles for sale to motor vehicle salvage dealers.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	12-05-01	p. 1241
Reported, S. Highways & Transportation	---	---

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