



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** [H.B. 468 of the 130th G.A.](#)

**Date:** March 24, 2014

**Status:** As Introduced

**Sponsor:** Reps. Sears and McGregor

**Local Impact Statement Procedure Required:** No

**Contents:** Makes changes to the law relative to salvage motor vehicles

### State Fiscal Highlights

- The bill eliminates the buyer identification card requirement for motor vehicle salvage buyers, which will result in a loss of revenue to the State Bureau of Motor Vehicles Fund (Fund 4W40), used by the Department of Public Safety, of approximately \$19,000 per year.
- The bill requires the Registrar of Motor Vehicles to establish and maintain a database of all sales of salvage motor vehicles in the state, which may result in an increase in expenditures for the Bureau of Motor Vehicles.

### Local Fiscal Highlights

- There could be an increase in administrative expenses for clerks of courts of counties as a result of some provisions of the bill. It is unlikely that this increase would exceed minimal.

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## Detailed Fiscal Analysis

The bill makes several changes to the salvage motor vehicle law including: (1) eliminating the requirement for salvage motor vehicle dealers to have a buyer's identification card, (2) eliminating the requirement to obtain a salvage motor vehicle dealer's license if the acquisition and disposal of salvage motor vehicles is incidental to a person's primary business, and (3) requiring the Registrar of Motor Vehicles to develop a statewide database for the collection of information to maintain an accurate record of all sales conducted by a salvage motor vehicle auction or salvage motor vehicle pool.

### **Buyer's identification card**

The bill eliminates the requirement that salvage motor vehicle buyers register for a biennial buyer's identification card. Current law requires that a salvage motor vehicle buyer who wants to purchase salvage motor vehicles at a salvage auction, or salvage pool, file an application with the Registrar of Motor Vehicles for a buyer's identification card. This card has a \$35 biennial fee that is deposited to the credit of the State Bureau of Motor Vehicles Fund (Fund 4W40), used by the Department of Public Safety. According to the Department, there are currently about 1,100 active salvage buyers. Given that the buyer's identification card is a two-year registration, there are approximately 550 (1,100/2) annual purchases of the card. The elimination of the card will, therefore, result in a loss of revenue to Fund 4W40 totaling about \$19,250 (550 x \$35) per year.

### **Salvage motor vehicle dealer license**

The bill also eliminates the requirement that a salvage motor vehicle dealer obtain a license, as long as the acquisition and disposal of salvage motor vehicles is incidental to the primary business of that dealer. A salvage motor vehicle dealer's license is a biennial license with a fee of \$100, deposited to the credit of Fund 4W40. There are currently approximately 600 licensed salvage motor vehicle dealers in Ohio, so revenue from the license is currently about \$30,000 (600/2 x \$100). It is not known how many of the current dealers would not have to have a license under the bill. Given the low amount of total revenue collected from the license currently, however, it is unlikely that this provision would result in more than a negligible loss in revenues to Fund 4W40.

### **Statewide database for salvage motor vehicles**

The bill requires the Registrar of Motor Vehicles to develop a statewide database to collect information from salvage motor vehicle auctions and salvage motor vehicle pools in order to maintain an accurate record of all sales of salvage motor vehicles conducted. This provision may result in an increase in expenditures for the Bureau of Motor Vehicles in order to develop and maintain such a database.

## **Resolution for removal of junk motor vehicles**

The bill imposes certain requirements on clerks of courts of counties if a junk motor vehicle is removed and disposed of in accordance with township laws. There may be an increase in administrative expenses on these courts, but they are unlikely to exceed minimal.

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