



Ohio Legislative Service Commission

Maggie Priestas

Fiscal Note & Local Impact Statement

Bill: [Sub. H.B. 468 of the 130th G.A.](#) **Date:** December 4, 2014
Status: As Reported by Senate State Government Oversight & Reform **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 contract with a third party data consolidator to establish and maintain a database of all sales of salvage motor vehicles in the state, which will result in an increase in expenditures for the Bureau of Motor Vehicles.

Local Fiscal Highlights

- County clerks of courts may incur a minimal annual increase in their operating expenses to perform the required duties under the bill.

Detailed Fiscal Analysis

Relative to salvage motor vehicle law, the bill:

- (1) Eliminates the requirement for salvage motor vehicle dealers to have a buyer's identification card.
- (2) Eliminates the requirement to obtain a salvage motor vehicle dealer's license under certain circumstance.
- (3) Requires the Registrar of Motor Vehicles to contract with a third party data consolidator for the development of a statewide database for the collection of information on 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 eliminates the requirement that a salvage motor vehicle dealer obtain a license, as long as the acquisition and disposal of salvage motor vehicles or salvage motor vehicle parts 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). Presumably under the bill some amount of that \$30,000 will no longer be collected.

Statewide database for salvage motor vehicles

The bill requires the Registrar of Motor Vehicles to contract with a third party data consolidator for the development of 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 will result in an expenditure increase for the Bureau of Motor Vehicles in order to pay a third party data consolidator to develop and maintain such a database. The costs to implement the database requirement will be paid from Fund 4W40.

The bill also requires the Common Sense Initiative Office to submit a report to the General Assembly by January 1, 2018 making certain findings and recommendations regarding the statewide database for salvage motor vehicles. Any costs incurred by the Common Sense Initiative Office to produce the report are likely to be absorbed utilizing existing resources.

Resolution for removal of junk motor vehicles

The bill imposes certain requirements on county clerks of courts if a junk motor vehicle is removed and disposed of in accordance with township laws. Any increase in a clerk's annual operating expense to comply with these requirements will be minimal at most.

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