

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 1129

**PRINTER NO.** 1718

**AMOUNT**

See Fiscal Impact

**FUND**

Motor License Fund

**DATE INTRODUCED**

April 4, 2024

**PRIME SPONSOR**

Senator Flynn

**DESCRIPTION**

Senate Bill 1129 amends Title 75 (Vehicles) regarding the sale of vehicles on which a total loss payment has been made by an insurer and reports of abandoned vehicles at wholesale vehicle auctions.

This legislation authorizes a vehicle salvage dealer or a scrap metal processor to purchase a vehicle from an insurer on which a total loss payment was made without obtaining a certificate of title or salvage certificate, so long as the vehicle is purchased solely for recycling parts, dismantling or scrap. Within five days of the sale, the vehicle salvage dealer or scrap metal processor must submit the following information to the Department of Transportation:

- The vehicle year, make, model and identification number,
- The insurer and vehicle salvage dealer or scrap metal processor information,
- The anticipated method and date of final disposition of the dismantled vehicle,
- An attestation by the vehicle salvage dealer or scrap metal processor that the vehicle is being purchased solely for the purpose of recycling parts, dismantling or scrap, and
- A certificate of title or salvage certificate, if available, or a bill of sale that memorializes the transfer of the vehicle between the insurer and the vehicle salvage dealer or scrap metal processor.

Additionally, this legislation authorizes a wholesale vehicle auction to file a report to commence the removal of an abandoned vehicle if the vehicle, which was sold or intended to be sold through the auction, is left unattended at the auction property for more than three business days. A wholesale vehicle auction may remove, sell or obtain ownership and title of a vehicle that is declared abandoned on the auction property. Alternatively, a wholesale vehicle auction may charge the owner of an abandoned vehicle a storage fee of up to \$25 per day after the vehicle has been unattended for three days.

The provisions of this legislation relating to the sale of vehicles on which a total loss payment has been made are scheduled to take effect in 60 days. The provisions relating to reports of abandoned vehicles at wholesale vehicle auctions are scheduled to take effect in 180 days.

# SENATE APPROPRIATIONS COMMITTEE

## FISCAL NOTE

### **FISCAL IMPACT:**

Authorizing a vehicle salvage dealer or a scrap metal processor to purchase a vehicle from an insurer on which a total loss payment was made without obtaining a certificate of title or salvage certificate may result in a decrease in title transfer fees paid into the Motor License Fund. For every 100 vehicles transferred from an insurer to a vehicle salvage dealer or scrap metal processor for which a title would otherwise be transferred, Motor License Fund fee revenue will be reduced by \$6,700. There is no fee associated with obtaining or transferring a salvage certificate. As such, permitting the transfer of vehicles without a salvage certificate will have no fiscal impact on Commonwealth funds.

The changes related to reports of abandoned vehicles left unattended at vehicle auctions may result in additional revenue for the Motor License Fund. An owner that reclaims an abandoned vehicle must pay a \$50 fee to the salvor, of which \$25 is remitted to the Department of Transportation for the deposit into the Motor License Fund. Abandoned vehicles that have value and are not reclaimed are sold at public auction. After reimbursing the vehicle salvor for towing and storage expenses, remaining proceeds are deposited into the Motor License Fund. For context, fees for reclaiming abandoned vehicles have generated an average of \$99,000 per year in the last three years; an estimate of the proceeds from the sale of abandoned vehicles is not available.