



Ohio Legislative Service Commission

Bill Analysis

Holly A. Cantrell

S.B. 273

129th General Assembly
(As Introduced)

Sens. Faber, Daniels, Hite, Lehner, Manning, Eklund, Widener, Wagoner, Burke, Jones, Balderson, Tavares, Jordan, Brown, Skindell

BILL SUMMARY

- Permits licensed salvage motor vehicle auctions and salvage motor vehicle pools to auction and sell salvage motor vehicles to consumers.
- Permits a person whose acquisition and disposal of salvage motor vehicles is incidental to the person's primary business to sell salvage motor vehicles at retail without a license to or through a salvage motor vehicle auction or salvage motor vehicle pool.
- Eliminates the requirement that licensed motor vehicle salvage dealers must obtain a buyer's identification card in order to purchase salvage motor vehicles at salvage motor vehicle auctions or salvage motor vehicle pools.
- Permits physical inspection of a salvage motor vehicle owned by an insurance company to be made at the established place of business of a salvage motor vehicle auction or salvage motor vehicle pool in addition to the established place of business of a salvage motor vehicle dealer under current law.

CONTENT AND OPERATION

Retail sales of salvage motor vehicles

The bill permits a licensed salvage motor vehicle auction (salvage auction) or a licensed salvage motor vehicle pool (salvage pool) to auction or sell salvage motor vehicles at wholesale and at retail to a consumer. Under current law, a salvage auction

or salvage pool may only auction or sell a salvage motor vehicle or salvage motor vehicle parts at wholesale to a licensed motor vehicle salvage dealer (salvage dealer).¹

Additionally, the bill allows a person to sell salvage motor vehicles at retail to or through a salvage auction or salvage pool without obtaining any license pursuant to the Motor Vehicle Salvage Law if the acquisition and disposal of those salvage motor vehicles is incidental to the seller's primary business. Current law limits a person to making that sale to a salvage dealer.²

As the bill allows a salvage auction or salvage pool to auction or sell salvage motor vehicles at retail, the bill revises the requirement that certain casual sellers obtain a salvage dealer license. Under the bill, a person also may meet the licensure requirement by obtaining a salvage auction or salvage pool license.³ A "casual sale" means any transfer of a salvage motor vehicle by a person other than a salvage dealer (or a salvage auction or salvage pool, as added by the bill) to an ultimate purchaser for use as a consumer.⁴

Physical inspection of salvage motor vehicles

The bill expands the number of permissible locations where physical inspections of certain salvage motor vehicles may be made. Current law allows the physical inspection of a salvage motor vehicle owned by an insurance company to be made at a salvage dealer's established place of business and allows the dealer to charge a maximum fee of \$3.50 for conducting that inspection. The bill permits physical inspection of a salvage motor vehicle owned by an insurance company to also be made at the place of business of a salvage auction or salvage pool in addition to a salvage dealer, and allows the salvage auction or salvage pool to charge the same fee.⁵

Salvage dealer identification cards

The bill eliminates the current law requirement that when a salvage dealer wishes to purchase a salvage motor vehicle at salvage auction or salvage pool, the salvage dealer must file an application with the Registrar of Motor Vehicles for a buyer's identification card and pay a \$35 fee for each card. The bill also removes the

¹ R.C. 4738.01(C) and (D), 4738.02(A) and (B)(1), and 4738.03(B) and (C) .

² R.C. 4738.02(A) and (B)(2) and 4738.17.

³ R.C. 4738.02(C).

⁴ R.C. 4738.01(I).

⁵ R.C. 4505.061.

requirement that the application fee be placed in the State Bureau of Motor Vehicles Fund in the state treasury.⁶

HISTORY

ACTION	DATE
Introduced	12-19-11

S0273-I-129.docx/jc

⁶ R.C. 4738.18 and 4501.25.

