



Ohio Legislative Service Commission

Sara D. Anderson

Fiscal Note & Local Impact Statement

Bill: Sub. S.B. 273 of the 129th G.A.

Date: April 18, 2012

Status: As Reported by Senate Insurance,
Commerce & Labor

Sponsor: Sen. Faber

Local Impact Statement Procedure Required: No

Contents: Makes changes to the law related to salvage motor vehicle dealers

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 establishes requirements related to property owner junk motor vehicle affidavits, including requiring property owners to submit a \$5 fee to the Bureau of Motor Vehicles, to be deposited to the credit of Fund 4W40, in order to receive such affidavit. The revenue from this fee will likely be offset by the administrative costs of the affidavit process.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill makes 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) permitting property owners to apply for, and receive, a property owner junk motor vehicle affidavit in order to dispose of a junk motor vehicle that is located on their property.

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.

Property owner junk motor vehicle affidavit

The bill allows a property owner on whose property is located a junk motor vehicle, as defined in the bill, to dispose of the vehicle after following certain procedures, including conducting a search of the records of the Bureau of Motor Vehicles (BMV) to determine the owner of the junk motor vehicle. If the property owner is unable to reach, or otherwise determine, the owner of the vehicle, then he is required to submit a completed property owner junk motor vehicle affidavit, a fee of \$5,

and several items, including pictures of the junk motor vehicle, copies of the certified letters sent to the owner, and any other items determined by the Registrar of Motor Vehicles to be necessary. Depending on the number of property owner junk motor vehicle affidavits that are filed to the BMV, there may be a gain in revenues in Fund 4W40, which will likely be offset by the costs of administering the affidavit process.

SB0273SR / th