

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1446

Amendment Number: H1

Bill Subtitle: TO AMEND CERTAIN DEFINITIONS USED IN THE UNIFORM MOTOR VEHICLE ADMINISTRATION, CERTIFICATE OF TITLE, AND ANTITHEFT ACT.

Basic Change : Sponsor: Representative Payton

Under current law, a "salvage vehicle" means a vehicle that is: (1) "water-damaged"; or (2) sustained any other damage equal or exceeding seventy percent (70%) of its average retail value as determined by criteria as established by rule of the Office of Motor Vehicle. Current law defines "water-damaged" as damage to a motor vehicle caused by submerging or partially submerging the motor vehicle in water to the extent that the motor vehicle was submerged or partially submerged at any water level above the dashboard of the motor vehicle, regardless of the actual amount of the damage.

Amendment 1 to HB1446 replaces the definition of "water-damaged" with "flood-damaged". A "flood-damaged" vehicle would mean a motor vehicle is damaged by water that reaches the doorsill, enters the passenger compartment, and disables the powertrain, primary computer or electrical systems. The bill also provides that "flood damaged" does not include a motor vehicle that has been inspected by insurance claim representative who indicates in report that vehicle was not damaged by water to the extent that the vehicle's electrical, computerized, or mechanical components were damaged by water. In addition, a vehicle damaged by water would not be "flood damaged" if an insurance company's claim representative stated in a report that one or more of the vehicle's electrical, computerized, or mechanical components was damaged by water but the components were repaired or replaced.

Revenue Impact :

Unknown change to the number of salvage titles issued and fees collected by the Office of Motor Vehicle.

Taxpayer Impact :

A Taxpayer's vehicle will be considered a "flood damaged" vehicle if the vehicle has been submerged in water to the point that rising water has reached the doorsill of the vehicle, entered the passenger compartment, and caused damage that disables the vehicle's powertrain, primary computer, or electrical systems.

Resources Required :

None.

Time Required :

Adequate time has been provided.

Procedural Changes :

None.

Other Comments :

None.

Legal Analysis :

HB1446-Amendment 1 changes "water damaged" to "flood damaged" and amends the definition used in disclosure of damage on certificates of title.