

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: SB775**

**Amendment Number: S1**

**Bill Subtitle: TO REQUIRE THE REPORTING OF A MOTOR VEHICLE ACQUIRED OR PURCHASED BY A JUNK YARD OR SALVAGE YARD.**

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### **Basic Change :**

**Sponsor: Sen. Sample**

This bill requires that salvage and junk yards report the vehicle identification numbers (VIN) of each motor vehicle they acquire to be salvaged or sold for parts. Current federal law requires salvage and junk yards to file a similar report and the bill provides that the requirements of this act can be satisfied by providing DFA with a copy of the federal report. The report required by this bill will allow DFA to identify vehicles that are no longer capable of being driven on the highways and prevent thieves from stealing a vehicle of a certain type and obtaining a title to an identical vehicle located in a salvage yard for the purposes of selling the stolen vehicle under a title issued to the salvage vehicle.

### **Revenue Impact :**

Unknown decrease in fraudulent title applications. Programming will be necessary to record the VIN numbers and maintain reports. The programming estimated to cost \$13,500.00.

### **Taxpayer Impact :**

A business may be subject to a fine and possible injunction against further operations if they fail to comply with the reporting requirements of this bill.

### **Resources Required :**

Additional training will be necessary for Motor Vehicle Employees.

### **Time Required :**

Adequate time has been provided for implementation.

### **Procedural Changes :**

Modifications to the Motor Vehicle Procedures Manual will be necessary.

### **Other Comments :**

None.

### **Legal Analysis :**

SB775-H1 requires that junk yards report the acquisition of salvage vehicles to DFA within two days of receipt. SB775 also provides that penalties may be assessed for failure of junk yards to timely report vehicles received. Junk yards may be fined, and DFA may petition circuit courts to enjoin further business operations 30 days after notice has been sent to the business. Penalties collected will be deposited into the State Central Services Fund.