

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5986-02  
Bill No.: HCS for HB 2180  
Subject: Motor Vehicles; Licenses - Motor Vehicle; Department of Revenue  
Type: Original  
Date: March 15, 2018

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Bill Summary: This proposal modifies provisions relating to the sale of salvage vehicles.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	(\$77,760)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$77,760)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Department of Revenue (DOR)** assume the following regarding this proposal:

#### §301.218.2

Requires every salvage dealer, salvage pool, and salvage disposal sale operator who is engaged in the sale of a vehicle whose title is branded as salvage, junk, wrecked, non-repairable, or carries a similar brand to:

- Keep electronic records of all sales of vehicles whose title is branded as salvage, junk, wrecked, non-repairable, or carries a similar brand;
- Records to be open for inspection as allowed in §301.225;
- Requires all records submitted to the Department be made available to the National Motor Vehicle Information System (NMTVTIS), which includes:
  - Make, model, and year of the vehicle; the vehicle identification number; and current odometer reading;
  - Names and addresses of the purchaser;
  - A copy of the purchaser's driver's license or other government-issued identification; and
  - Names and addresses of the seller of such vehicle
- Obtain from the purchaser of such vehicle, documented proof that the purchaser is authorized to purchase salvage vehicles in that person's state, jurisdiction, or country.

Any person who knowingly fails to report all transactions of a vehicle whose title is salvage, junk, wrecked, non-repairable or carries a similar brand to the statewide database shall be guilty of a civil infraction, punishable by a fine of up to \$1,000 per infraction.

#### §301.218.3

Requires the Department to maintain an accurate record of all reported transactions.

#### §301.218.4

Requires a unique identifier for all purchasers of salvage, wrecked, nonrepairable, junked, or other similar branded vehicles, for such purchasers to use when submitting the sales transaction information.

#### §301.218.5

The Department shall make the information received under this section available, without charge, to any state or local law enforcement agency upon request.

ASSUMPTION (continued)

§301.218.6

Requires any person who is licensed under §§301.217 to 301.229 who is selling a vehicle whose title is branded as total loss, salvage, junk, derelict, or carries a similar brand shall report to the Department within ten days all transactions relating to the branded vehicle.

- §301.218.2(1), current language provides that the sale records shall be reported to the Department on a quarterly basis.

§301.218.7

The Department shall report each transaction to NMVTIS within two days after receiving report of the transaction.

Administrative Impact

To implement the proposed language, the Department will be required to:

- Complete programming and user acceptance testing; and
- Update Procedures, forms, and the Department website.

FY 2019 - Motor Vehicle Bureau

Management Analysis Spec I	200 hrs. @ \$18.42 per hr.	= \$3,684
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FY 2019 - Personnel Services Bureau

Management Analysis Spec I	40 hrs. @ \$18.42 per hr.	= \$ 737
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Administrative Analyst III	10 hrs. @ \$19.43 per hr.	= \$ 194
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Total		= \$ 931
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<b>Total Costs</b>		<b>\$4,615</b>
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OA-ITSD services will be required at a cost of **\$77,760** (1,036.80 hours x \$75 per hour) in FY 2019.

**Oversight** assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb some of the costs related to this proposal; therefore, Oversight will reflect a fiscal impact of \$77,760 for IT services in FY 2019.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** and **Department of Public Safety - Missouri Highway Patrol** each assume the proposal will have no fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>GENERAL REVENUE FUND</b>			
<u>Cost - DOR - IT services</u>	<u>(\$77,760)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$77,760)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Some small businesses would be expected to keep some additional records as a result of this proposal.

FISCAL DESCRIPTION

This bill requires operators of salvage pools or salvage disposal sales to keep an electronic record of vehicles whose title is branded as salvage, junk, wrecked, non-repairable, or similar brands. The criteria for record keeping is specified in the bill and includes obtaining proof of license to do business as a salvage dealer in Missouri or a declaration that the purchaser is authorized to purchase salvage vehicles by another jurisdiction. A knowing violation of the bill's provisions will be a civil infraction with a fine of up to \$1,000 per violation.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Revenue  
Department of Public Safety - Missouri Highway Patrol  
Department of Insurance, Financial Institutions and Professional Registration

Ross Strope

A handwritten signature in black ink, appearing to read "Ross Strope", with a stylized flourish at the end.

Acting Director  
March 15, 2018