

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 12-0358
Prime Sponsor(s): Rep. Balmer
 Sen. Jahn

Date: February 6, 2012
Bill Status: House Transportation
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TITLE: CONCERNING THE SALE OF MOTOR VEHICLES THAT HAVE BEEN DAMAGED TO SUCH AN EXTENT THAT THE COST OF THE REPAIRS EXCEEDS THE FAIR MARKET VALUE OF THE VEHICLE.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
Cash Funds		
Fines Collection Cash Fund	<\$5,000	<\$5,000
State Expenditures	<u>\$3,552</u>	
General Fund	2,960	
Cash Funds		
Highway Users Tax Fund/CSTARS Account	592	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2012-2013: See State Appropriations section.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

Under current law, a vehicle must be under six years of age at the time of becoming damaged beyond repair in order to be titled as a salvage vehicle. This bill alters disclosure information on salvage vehicle titles and defines certain provisions for their sale. It also requires that resellers, defined as "salvage vehicle pools" only sell salvage vehicles to dealers and recyclers. Finally, the bill establishes a misdemeanor for selling or transferring a salvage vehicle without obtaining a salvage title and a corresponding penalty of ten days to six months imprisonment in a county jail, a fine of \$10 to \$500, or both.

State Revenue

The bill may increase state revenue from fines, although less than \$5,000 in new state revenue is expected per year. The penalty for selling a salvage vehicle without obtaining a salvage vehicle title is ten days to six months imprisonment in a county jail, a fine of \$10 to \$500, or both. Fine revenue that is not otherwise appropriated is deposited into the Fines Collection Cash Fund, under the Judicial Department. Because the courts have the discretion of incarceration, imposing a fine, or both, the impact to state revenue cannot be determined.

State Expenditures

This bill is expected to increase one-time state expenditures by \$3,552 in FY 2012-13. The Governor's Office of Information Technology requires these funds for reprogramming the state's GenTax and Colorado State Titling and Registrations System (CSTARS) software to conform to the changes required by this bill.

Local Government Impact

The penalty specified in this bill requires ten days to six months imprisonment in a county jail, a fine of \$10 to \$500, or both. Because the courts have the discretion of incarceration or imposing a fine, the impact at the local level cannot be determined. The cost to house an offender in county jails varies from \$45 to \$50 per day in smaller rural jails to \$62 to \$65 per day for larger Denver-metro area jails. For the current fiscal year, the state reimburses county jails a daily rate of \$50.44 to house state inmates. It is assumed that the impact of this new misdemeanor will be minimal.

State Appropriations

For FY 2012-13, the DOR requires two appropriations — \$2,960 from the General Fund, and \$592 from the CSTARS account of the Highway Users Tax Fund. Both amounts should be reappropriated to the Governor's Office of Information Technology (OIT).

Departments Contacted

Revenue Transportation