

**STATE  
FISCAL IMPACT**

**Drafting Number:** LLS 14-0932  
**Prime Sponsor(s):** Rep. Tyler  
 Sen. Todd

**Date:** March 11, 2014  
**Bill Status:** House Transportation and Energy  
**Fiscal Analyst:** Kristen Koehler (303-866-4918)

**SHORT TITLE:** MOTOR VEHICLE AGE SALVAGE BRAND

Fiscal Impact Summary	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures	Minimal workload increase.	
FTE Position Change		
Appropriation Required: None		

**Summary of Legislation**

This bill removes the requirement that a vehicle be under six years old when the damage occurred in order to be considered a salvage vehicle.

**Background**

Current law defines a salvage vehicle as a vehicle that has been damaged by collision, fire, flood, accident, trespass, or other occurrence, excluding hail damage, to the extent that the cost of repairing the vehicle to a roadworthy condition exceeds the vehicle's retail fair market value immediately prior to the damage. The vehicle must have been under six years old when the damaged occurred to receive a salvage title under current law.

Colorado's limitation on vehicles that may be considered salvage has permitted the sale of salvage vehicles to consumers who believed they were purchasing a non-salvage vehicle; this practice is known as title washing. Removing the six year limitation from law addresses this practice.

This bill expands the population of vehicles that may be titled as "salvage" to include those vehicles that have been damaged and are six years of age and older. The bill is expected to increase the number of salvage titles issued to vehicles that would have otherwise received a clean title under current law. Because a salvage title will be issued in lieu of a clean title, and because the bill does not change the cost to title a vehicle, the bill is not expected to have an impact on state or local government revenue.

**State Expenditures**

Overall, the bill is expected to increase the workload of the Department of Revenue in FY 2014-15. The department will be required to update rules, forms, manuals, and the department's website to reflect the change in law. The department will also be required to inform authorized agents and Title and Registration Section staff. Costs are expected to be minimal and do not require new appropriations.

**Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

**State and Local Government Contacts**

Revenue

Clerk and Records