



Colorado Legislative Council Staff
STATE
FISCAL IMPACT

Drafting Number: LLS 06-0392
Prime Sponsor(s): Rep. Decker

Date: January 18, 2006
Bill Status: House Transportation & Energy
Fiscal Analyst: Brad Denning (303-866-4777)

TITLE: CONCERNING THE TRANSFER OF A MOTOR VEHICLE TO A PERSON NOT LICENSED AS A MOTOR VEHICLE DEALER FOR THE PURPOSE OF SCRAPPING THE MOTOR VEHICLE, AND, IN CONNECTION THEREWITH, ESTABLISHING REQUIREMENTS FOR SUCH PERSON TO PURCHASE OR OTHERWISE RECEIVE A MOTOR VEHICLE, OR PARTS THEREOF, AND REQUIRING A WAITING PERIOD BEFORE SCRAPPING AN ABANDONED MOTOR VEHICLE.

Fiscal Impact Summary	FY 2006/2007	FY 2007/2008
State Revenues		
Cash Funds - Highway Users Tax Fund (HUTF)	less than \$5,000	less than \$5,000
State Expenditures		
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: July 1, 2006		
Appropriation Summary for FY 2006/2007: None required.		
Local Government Impact: None		

Summary of Legislation

The bill modifies the law governing the appraisal, sale, and disposal of abandoned motor vehicles. It prohibits a person or salvage yard from purchasing or receiving a motor vehicle or a numbered motor vehicle part, for the purpose of scrapping the motor vehicle or part, unless the salvage yard receives specified documents. If the motor vehicle was wrecked or dismantled by a salvage yard, the Department of Revenue must keep records for one year after the sale of or transfer to the salvage yard, with exceptions if the purchaser is a licensed motor vehicle dealer.

Additionally, the bill requires a salvage yard to:

- keep an abandoned vehicle for a 5 days before junking, scrapping, or dismantling it;
- contact a local law enforcement agency to determine if the motor vehicle or motor vehicle part was stolen; and
- send certain documents to the Department of Revenue within a specified time.

The bill also establishes the penalty for violating the law governing the appraisal, sale, disposal, and transfer and purge of certificates of title of abandoned motor vehicles as a misdemeanor. This bill sets the penalty for such a violation at not more than \$500 for the first offense and \$1,000 for each subsequent offense.

State Revenues

The bill establishes a new misdemeanor offense punishable by a fine of not more than \$500 for the first offense and \$1,000 for each subsequent offense, which may increase state revenues. However, the total amount collected per year is anticipated to be less than \$5,000 which is credited to the Highway Users Tax Fund.

State Expenditures

This fiscal note does not anticipate a significant number of new filings in county court as a result of this legislation. It is assumed that any increase in county court caseload would be absorbed within existing resources.

State Appropriations

No new state appropriations are required to implement the bill in FY 2006-07.

Departments Contacted

Judicial Public Safety Revenue