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## FISCAL IMPACT REPORT

SPONSOR Morales/Youngblood ORIGINAL DATE 1/29/18  
 LAST UPDATED 2/2/18 HB \_\_\_\_\_

SHORT TITLE Auto Recycler Purchase Info to Tax & Rev SB 24/aSCORC

ANALYST Romero

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY18	FY19	FY20		
\$0.0	\$19.0	\$19.0	Recurring	TRD – MVD Operating

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Taxation and Revenue Department (TRD)

### SUMMARY

#### Synopsis of Amendment

The amendment changes reference from “within forty-eight hours” to “within two business days.” Additionally, the amendment discontinues the removal of current law of, “the penalty upon second conviction of such offense shall be that provided for a fourth degree felony.”

#### Synopsis of Original Bill

Senate Bill 24 adds a new section to the Motor Vehicle Code requiring auto recyclers to notify TRD of all motor vehicle purchases within forty-eight hours of the close of business on the day the purchase is made. The notification is required to be done electronically to include certain information about the seller, purchaser, vehicle, and intended disposition of the vehicle. Prior to taking possession of a vehicle it has purchased, the auto recycler is to verify with the Department if the motor vehicle has been reported stolen by checking the electronic system established and maintained by the Department, including the seller’s name, address, contact information and either the unique auto recycling license number or unique number of the purchaser’s government-issued identification document. The Department is required to establish and maintain this electronic system and make it available to any law enforcement agency upon request at no charge. The bill also amends several Sections of the Motor Vehicle Code related to providing electronic forms, and to dismantling of vehicles.

## **FISCAL IMPLICATIONS**

TRD notes that this bill will generate revenue through increased Vehicle Registration System (VRS) usage. Currently, approximately 44 percent of auto recyclers use the optional National Crime Information Center (NCIC) check available through VRS. Making use of the system mandatory, will increase the number of users as will the number of NCIC checks. Revenue increase is based on approximately 19 thousand additional NCIC checks annually.

## **SIGNIFICANT ISSUES**

The Department notes the following:

The Motor Vehicle Division (MVD) system currently affords auto recyclers the ability to input much of the information required by this legislation online, utilizing the VRS, and automatically forwards a portion of this information timely to the National Motor Vehicle Title Information System (NMVTIS). Law enforcement has access to this data, both via VRS and NLETS/NCIC. The purpose of this proposed legislation may be better attained by expanding the data fields in VRS rather than creating a new database.

Passage of this legislation will mandate use of the optional NCIC check currently available through the Vehicle Registration Suite (VRS) that is currently used by only approximately 44 percent of auto recyclers.

The bill requires auto recyclers to supply MVD information on vehicle purchases. Because auto recyclers acquire vehicles through several means, including purchases, this language should be revised to read “purchased or acquired” or “acquired” throughout the bill.

## **TECHNICAL ISSUES**

TRD also notes the language inconsistencies in reference to the “Licensed Dismantler” and “Auto Recycler” need to be clarified and identified as “Auto Recycler” exclusively throughout the proposed bill.

IR/jle/al