

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government – The bill creates additional responsibilities for salvage motor vehicle dealers and law enforcement.

Promote personal responsibility – The bill provides criminal penalties for wrongful conduct.

B. EFFECT OF PROPOSED CHANGES:

Current Situation

Salvage motor vehicle dealers are defined in s. 320.27, F.S., as any person who engages in the business of acquiring salvaged or wrecked motor vehicles for the purpose of reselling them and their parts.

Section 319.30, F.S., provides that when a motor vehicle is sold, transported, or delivered to a salvage motor vehicle dealer, it is to be accompanied by:

- A properly endorsed certificate of title, salvage certificate of title, or vehicle certificate of destruction issued by the Department of Highway Safety and Motor Vehicles (DHSMV); or
- If the certificate of title has been surrendered to DHSMV, a notarized affidavit signed by the owner stating that the title has been returned to the State of Florida.

Florida law does not provide procedures requiring salvage motor vehicle dealers to contact law enforcement before the dismantling, destruction, and change of identity of salvaged motor vehicles to determine if the vehicle is stolen.

According to the Jacksonville Sheriff's Office, certain salvage motor vehicle dealers or "crusher/shredding companies" are taking possession of stolen motor vehicles and processing them without proper identification. The following issues are contributing to the destruction, dismantling, or changing of stolen motor vehicles or mobile homes:

- There are no requirements for checking motor vehicles against the stolen vehicle database prior to destruction, dismantling, or changing;
- There is no requirement to supply law-enforcement with the identity of the vehicles prior to destruction, dismantling, or changing;
- There is no requirement for salvage motor vehicle dealers to keep their records filed in retrievable and/or legible order;
- The salvage motor vehicle dealers don't always confirm incoming motor vehicles to the accompanying, signed affidavits; and
- The affidavits required in statute are not always notarized and this may allow the salvage motor vehicle dealers to escape responsibility.

Proposed Changes

HB 473 provides certain procedures for salvage motor vehicle dealers to follow in order to prevent the destruction, dismantlement, or change of stolen motor vehicles received in the course of business, and creates penalties for violations of these requirements. Significant changes made by HB 473 include:

- Requiring salvage motor vehicle dealers to notify a local law enforcement agency of a vehicle that has been received by the dealer in the course of business;
- Requiring salvage motor vehicle dealers to receive confirmation from a local law enforcement agency that the motor vehicle has not been reported stolen;

- Requiring the salvage motor vehicle dealer to maintain legible records of that notification and confirmation;
- The records are to include a complete description of the vehicle, including the following:
 - Vehicle identification number;
 - Name of the law enforcement agency notified;
 - Date of the notification; and
 - Name of the officer or deputy sheriff who confirmed that the motor vehicle had not been reported stolen.
- The records required by this paragraph must be maintained at the place of business of the salvage motor vehicle dealer for a period of 2 years from the date of notification and are to be made available for inspection upon request by any law enforcement officer during that 2-year period.

The bill provides that violations are a criminal infraction punishable as a first degree misdemeanor. A person found guilty of violations related to this provision could be fined up to a \$1,000 plus applicable fees and court costs and receive a term of imprisonment not exceeding 1 year.

C. SECTION DIRECTORY:

Section 1. Amends s. 319.30, F.S., requiring salvage motor vehicle dealers to notify and confirm that a motor vehicle is not reported stolen before destroying, dismantling, or changing the motor vehicle; requiring salvage motor vehicle dealers to maintain a record retention schedule; providing penalties for violations;

Section 2. Provides an effective date of July 1, 2006.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

See Fiscal Comments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Salvage motor vehicle dealers could incur expenses related to notifying local law enforcement agencies when a motor vehicle is received, maintaining records of notification and confirmation for two years, and making the records available for inspection during this two year period.

D. FISCAL COMMENTS:

A person found guilty of violations related to this provision could be fined up to a \$1,000 plus applicable fees and court costs and receive a term of imprisonment not exceeding 1 year. The fees and court

costs vary from county to county. The bill may have an impact on the county courts and on county jail populations, however, the impact is indeterminate because the number of criminal cases brought under the new law cannot be predicted. Court related revenues and the State General Revenue Fund could have a positive impact from additional fines and fees, however, the impact would also be indeterminate.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill appears to be exempt from the requirements of Article VII, Section 18 of the Florida Constitution because it is a criminal law.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

No additional rulemaking authority is required to implement the provisions of this bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES