

STATEMENT OF PURPOSE

RS21700

This proposal will allow the department to gain efficiencies by eliminating usage of the salvage certificate form and utilizing the certificate of title form for salvage vehicle ownership. This will provide for a single inventory of secure forms and would simplify physical handling and management as well as programming for the issuance and printing of these documents in the new DMV automated system. Title certificates issued for salvage vehicles will display a conspicuous "salvage" designation.

To accomplish this change, salvage titles will need to be issued solely by the department which stores and secures all certificates of title. Insurance companies and salvage pools who currently issue salvage certificates will instead, forward the prior ownership document with an application for salvage title to the department which will subsequently issue the salvage title. This process will parallel the application/issuance process utilized for all other types of titles. Issuance of salvage titles solely by the department will:

1. Increase security of the stock of blank ownership documents by removing them from insurance companies and salvage pools, and restricting the storage of these documents to department facilities.
2. Improve the timeliness of the recordation of these salvage documents on the DMV system.
3. Improve the quality and consistency of the issued salvage titles.

FISCAL NOTE

The fiscal impact of no longer producing separate salvage certificate forms and issuing title certificates for salvage vehicles from ITD Headquarters will result in a reduction of approximately \$7,000 in annual revenue, as the current salvage certificate fee of \$15.00 for salvage vehicles would be replaced by the certificates of title fee of \$14.00. However, it is believed that this is a more efficient process and will improve the security for blank ownership documents.

There is no fiscal impact if the bill should fail.

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