

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 2736

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**Version:** First engrossment

**Authors:** Swedzinski and others

**Subject:** Junked vehicles; scrap metal processor license

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### Overview

This bill allows new and used motor vehicle dealers who hold a "scrap metal processor" license to: acquire a vehicle declared as an unrepairable total loss from a salvage pool or insurance company, dismantle the vehicle, and sell both the parts and the remaining scrap materials. Currently such activity is only allowed if the new or used motor vehicle dealer holds a "used vehicle parts dealer" license.

The scrap metal processor license and the used vehicle part dealer license can be held in addition to a license necessary to operate as a new or used motor vehicle dealer. Under current law, a scrap metal processor license permits the licensee to engage in the business of acquiring operable vehicles for selling the metal for remelting, while a used vehicle parts dealer license permits the licensee to operate a business that acquires vehicles, dismantles it for parts, and sells both the parts and the remaining scrap materials.

- 1**     **New motor vehicle dealer.** Allows a new motor vehicle dealer with a scrap metal processor license to purchase a junked vehicle from a salvage pool or insurance company.
- 2**     **Used motor vehicle dealer.** Allows a used motor vehicle dealer with a scrap metal processor license to purchase a junked vehicle from a salvage pool or insurance company.
- 3**     **Vehicle salvage pool.** Makes a conforming change, to allow salvage pools to sell a junked vehicle to a scrap metal processor license holder.
- 4**     **Authority under junking certificate.** Makes a conforming change, to allow sale by a salvage pool or insurance company of a junked vehicle to a scrap metal processor license holder.
- 5**     **Rule change.** Makes a conforming change, to direct the Department of Public Safety to amend an administrative rule requiring a purchaser of an unrepairable total loss vehicle to have a used vehicle parts dealer license when the vehicle is sold by a vehicle salvage pool or an agent of an insurance company. The directive is to allow for sales under such circumstances to scrap metal processors, using an expedited rulemaking process.