

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6360**

**BILL NUMBER: SB 77**

**NOTE PREPARED: Mar 23, 2005**

**BILL AMENDED: Mar 22, 2005**

**SUBJECT:** Mechanic's Liens on Towed Vehicles.

**FIRST AUTHOR:** Sen. Young R Michael

**FIRST SPONSOR:** Rep. Hinkle

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill: (1) allows an unpaid provider of towing services to obtain a mechanic's lien on a towed vehicle and sell the vehicle (2) raises the market value limit below which a public officer is authorized to dispose of an abandoned vehicle or parts at a towing service; (3) requires a towing service to wait 30 days before disposing of an abandoned vehicle located on its premises, and specifies a procedure for notice to the registered owner of the abandoned vehicle; and (4) makes conforming amendments.

**Effective Date:** (Amended) Upon passage; July 1, 2005.

**Explanation of State Expenditures:** (Revised) *Part (2)* - If there are fewer abandoned vehicles with which to contend, associated costs would decline. The fund affected is the Abandoned Vehicle Fund. Revenue from this fund is used to pay administrative expenses.

**Explanation of State Revenues:** (Revised) *Part (1)* - The Bureau of Motor Vehicles (BMV) may experience a reduction in revenue from the sale of abandoned vehicles. However, the amount cannot be quantified. The BMV does not know how many vehicles will be excluded from their sales because of sales by towing companies. The fund affected is the Motor Vehicle Highway Account.

*Part (2)* - This proposal likely will reduce the number of vehicles listed as abandoned for the purposes of the BMV. Under the bill, if an abandoned vehicle would be valued at over \$500 (instead of \$100) and is not claimed, it may be sold. The purchaser of an abandoned vehicle must purchase a bill of sale for a fee of \$6. Revenue from the abandoned vehicles has averaged approximately \$502,000 per year over the last five fiscal years for the BMV. The fund affected is the Abandoned Vehicle Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** (Revised) *Part (1)* - Under current statute, cities of the first to fourth classes may elect to sell and keep revenues from vehicles abandoned in their jurisdictions (IC 9-22-1-23 through 27). The city or BMV is responsible for notifying the owner of the vehicle. These local units may experience a reduction in the number of vehicles which may be sold at auction, the number of which is indeterminable.

*Part (2)* - This part likely will reduce the number of vehicles listed as abandoned. Cities of the first to the fourth classes may elect to sell and keep revenues from the sales of vehicles abandoned in their jurisdictions (IC 9-22-1-23, 27). The BMV is responsible for notifying the owner of the vehicle.

**State Agencies Affected:** Bureau of Motor Vehicles.

**Local Agencies Affected:** Cities of the first to the fourth classes who have established abandoned vehicle ordinances.

**Information Sources:**

**Fiscal Analyst:** James Sperlik, 317-232-9866.