



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2372

PRINTERS NO. 2783

PRIME SPONSOR: Schmitt

COST / (SAVINGS)

FUND	FY 2021/22	FY 2022/23
Motor License Fund	\$0	See "Fiscal Impact"

SUMMARY: Creates a process for wholesale vehicle auctions to unilaterally declare a vehicle on their property as abandoned if left on their property for at least three business days without the auction's consent, and allows the wholesale vehicle auction to subsequently remove, sell, or legally obtain ownership of the vehicle. This legislation would take effect in 120 days.

ANALYSIS: This legislation amends Title 75 (Vehicles) to create a process for wholesale vehicle auctions to unilaterally declare a vehicle on their property as abandoned if left on their property for at least three business days without the auction's consent, and allows the wholesale vehicle auction to subsequently remove, sell, or legally obtain ownership of the abandoned vehicle.

Declaring a Vehicle as Abandoned: Section 7311.1 (related to reports by private property owners of abandoned vehicles) is amended to state that an unauthorized vehicle that has been left unattended and on private property includes: a vehicle intended for sale or that has been sold through a wholesale vehicle auction (auction) when the vehicle has remained on the property of the auction without the consent or authorization of the auction for a period exceeding three business days.

Section 7311.3 (related to abandoned vehicles at wholesale vehicle auctions) provides that an auction may take action to remove, sell or legally obtain ownership of a vehicle that is declared an abandoned vehicle on the property of the auction. No vehicle shall be considered an abandoned vehicle on the property of an auction until the following conditions have been met:

1. The vehicle is declared an abandoned vehicle.
2. The person who retains the title or is a lienholder or record of the vehicle has not entered into an agreement with the auction that permits the vehicle to be stored on the property of the auction for a period longer than three business days.

When requested by an auction to remove an abandoned vehicle, a salvor may remove the vehicle.

Notification to Last Known Owner: An auction that intends to sell or legally obtain ownership of an abandoned vehicle must do all of the following:

1. Submit a written or electronic notice to the last known owner of the abandoned vehicle as determined by the title, including any reassignments of the dealer of record selling or purchasing the vehicle through the auction, and all lienholders of record that the abandoned vehicle is being held as an abandoned vehicle.
2. The written notice shall be sent by certified mail and include return receipt requested.
3. Electronic notice shall be typed on an official document and sent by electronic mail and include return receipt requested if an electronic mail address is known.
4. If an electronic mail address is not known, written notice shall be sent.
5. An auction must provide the recipient of the written or electronic notice a waiting period of no less than 15 business days after the date of the notice was distributed to respond to the notice.
6. The notice must:
 - a. Describe the make, model, title number, VIN and plate number of the abandoned vehicle, if known.
 - b. State the location where the abandoned vehicle is being held.
 - c. Inform the owner or dealer of record and any lienholder of the right to reclaim the abandoned vehicle and the contents in the abandoned vehicle within 15 days after the date the notice was mailed at the place where the abandoned vehicle is being held by the auction, upon payment of any reasonable fee set by the auction.
 - d. State that the failure of the owner, dealer of record or lienholder to reclaim the abandoned vehicle and its contents is deemed consent by the owner or dealer of record to the destruction, sale or other disposition of the abandoned vehicle and its contents and of all lienholders to dissolution of their liens.
7. If the identity of the last known owner or dealer of record and of all lienholders of an abandoned vehicle cannot be determined with reasonable certainty, the notice shall be published one time in a newspaper of general circulation or electronic newspaper of general circulation in the area where the auction is located. The notice may contain multiple listings of abandoned vehicles. Notice by publication locally shall be the responsibility of the auction. The notice shall have the same effect as notice sent by certified mail.
8. A copy of every written notice sent out in accordance with this section must also be provided to PennDOT.
9. An auction that complies with these notification requirements shall not be subject to liability from the dealer or other owner of an abandoned vehicle removed, sold or otherwise disposed of under this section. A dealer that purchases an abandoned vehicle at an auction is not subject to liability from the dealer or other owner of the abandoned vehicle.

Transferring an Abandoned Vehicle: To expedite title transfer of an abandoned vehicle on an auction's property, PennDOT must establish a form on which an auction shall certify that a

vehicle is abandoned. The form shall contain a full description of the vehicle, the VIN, odometer reading, date of purchase by dealer and any other information or documents required by PennDOT and a required fee. Upon receipt, PennDOT must process and send a certificate within 15 days. The following shall apply:

1. If the auction follows these procedures and the abandoned vehicle remains unclaimed, the auction may submit an application for a title to PennDOT.
2. The proper form, and copies of all required documentation, must be forwarded to PennDOT.
3. If PennDOT determines that a new title should be issued, an abandoned vehicle branded title shall be issued to the auction.
4. After an abandoned vehicle branded title is issued, the vehicle must be offered for sale at auction by the wholesale vehicle auction. Notice shall be provided to prospective buyers that the title has been branded as a former abandoned vehicle.
5. The auction shall be reimbursed for the cost of storing, providing notice, obtaining title and processing the vehicle from the proceeds of the sale of the vehicle. The remaining proceeds of the sale shall be paid to PennDOT and transmitted to the State Treasurer for deposit in the Motor License Fund.
6. No title shall be issued to an auction unless proper notice related to this section is provided to persons utilizing the services of the auction.

Storage Fees: An auction may impose, charge, and collect reasonable storage fees from the owner or dealer regarding an abandoned vehicle as a means of recovering the costs of storing the abandoned vehicle, but at no more than \$25 per day. Storage fees may not be collected for any period of time for which an agreement to store the vehicle on the property of the auction was in effect, unless specifically included in the agreement. Storage fees may not be imposed for the first three business days the vehicle remained on the property of the auction. Storage fees may not be imposed by the auction on or after the date of transfer of the vehicle to a salvor.

When the title for the abandoned vehicle has been transferred to the auction, all fees associated with the storage and processing of the vehicle shall be deemed to have been satisfied. When the abandoned vehicle has been transferred to a salvor and the vehicle is subsequently sold at auction:

1. The salvor shall recover the appropriate costs of towing and storage.
2. The auction shall be reimbursed for the cost of storing, providing notice, obtaining title and processing related to the vehicle when the additional funds are available as the result of the salvor's auction. The remaining proceeds of the sale must be paid to PennDOT and transmitted to the State Treasurer for deposit in the Motor License Fund.

No storage fee may be collected by an auction unless proper notice and notice indicating the daily fee for storage is provided. This information must be posted on the auction's public website or provided directly to each person using the auction's services.

Prior Sale: When a vehicle has been sold through an auction and is subsequently abandoned by the buyer on the auction's property, and when the buyer has failed to pay the agreed purchase price, the auction may seek compensation due from the sale by appropriate judicial process.

Regulations: PennDOT may, by regulation, adopt specific requirements for implementing this section and any additional requirements, not inconsistent with this section, that ensure compliance with this title relating to the transferring of titles and registration of abandoned vehicles.

FISCAL IMPACT: According to PennDOT, this legislation would have no adverse fiscal impact on its operations. It is important to note that the legislation provides that any remaining proceeds after a sale of an abandoned vehicle sold at auction must be transmitted to the State Treasurer for deposit in the Motor License Fund. Any estimate of that revenue is indeterminable at this point.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: June 21, 2022

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.