

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 608

SPONSOR: Senator King

SUBJECT: Vehicle Title Certificates

DATE: February 28, 2002 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Vickers	Meyer	TR	Favorable
2.	_____	_____	BI	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill redefines the term “total loss” to mean a motor vehicle or mobile home that has been damaged, destroyed, wrecked, or submerged in water and the cost to rebuild or reconstruct the vehicle or mobile home exceeds 75 percent of the retail value prior to such damage. The bill also states that a vehicle or mobile home is a “total loss” if an insurance company or self-insurer acquires ownership pursuant to a damage or theft settlement, or if the owner applies for a salvage certificate of title or a certificate of destruction.

This bill substantially amends section 319.30 of the Florida Statutes.

II. Present Situation:

Section 319.30, F.S., establishes requirements for vehicles and mobile homes that have been determined to be a “total loss.” Currently, a vehicle or mobile home is considered to be a “total loss” when an insurance company pays an owner to replace it because it was wrecked or damaged, or because it was stolen. However, if the insurance company and the owner agree to repair the vehicle or mobile home, it is not a “total loss.” An *uninsured* vehicle or mobile home is considered a “total loss” if the cost to repair a wrecked or damaged vehicle or mobile home would exceed 80 percent of the cost to replace it with one of like kind and quality.

The owner of such a vehicle or mobile home, or an insurance company that acquires one, may not dispose of the vehicle or mobile home before it has obtained a salvage certificate of title or a certificate of destruction from the Department of Highway Safety and Motor Vehicles (DHSMV). Whenever the owner of a “total loss” vehicle or mobile home or an insurance company applies for one of these title substitutes, that person must provide to DHSMV an estimate of the cost to repair the damage to the vehicle. If that estimate is equal to 80 percent or

more of the “blue book” value of the vehicle or mobile home, DHSMV will declare the vehicle unbuildable and will issue a certificate of destruction. The certificate authorizes dismantling or destruction of the vehicle. However, if the blue book value of the vehicle is \$1500 or less, the vehicle need not be issued a certificate of destruction, and it can be rebuilt or repaired under clean title. A stolen vehicle recovered in substantially intact condition that can be readily repaired and sold also need not receive a certificate of destruction.

III. Effect of Proposed Changes:

This bill amends s. 319.30 , F.S., to provide that a vehicle or mobile home is considered a “total loss” when it has been damaged, destroyed, wrecked, or submerged in water to the extent that the *estimated or actual* cost to repair it to its pre-damaged condition exceeds 75 percent of the blue book value. The value of repair parts is determined by using the current published retail cost of parts from an original equipment manufacturer or the retail cost of the repair parts actually used in the repair. The labor cost is computed using the hourly rate and time at locations that are reasonable and customary for the particular community’s auto repair industry.

The bill provides that a motor vehicle or mobile home is also a “total loss” if an insurer acquires ownership pursuant to a damage or theft settlement, or if the owner applies for a salvage certificate of title or a certificate of destruction.

The bill eliminates the opportunity for the insurer and owner to negotiate whether a vehicle or mobile home with damage equaling less than 75 percent of the retail value is a “total loss.”

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Currently, an owner of a motor vehicle or mobile home and an insurance company can negotiate whether to repair or rebuild a vehicle or mobile home if the cost to repair the damage is less than 80 percent of the retail value. If they agree not to repair or replace the

vehicle or mobile home, it is deemed a “total loss.” The bill eliminates the opportunity for the insurer and owner to negotiate whether a vehicle or mobile home with damage equaling less than 75 percent of the retail value is a “total loss.”

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

The bill, on page 3, line 11, references the “80 percent” threshold. This provision should be corrected to conform to the “75 percent” threshold contained in the bill.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill’s sponsor or the Florida Senate.
