

# **WEST VIRGINIA LEGISLATURE**

**2017 REGULAR SESSION**

**Committee Substitute**

**for**

**House Bill 2402**

BY DELEGATES HOWELL, FRICH, ELDRIDGE AND PHILLIPS

[Originating in the Committee On Finance;

March 15, 2017]



1           A BILL to amend and reenact §17-24A-1 and §17-24A-4 of the Code of West Virginia,  
2 1931, as amended; to amend said code by adding thereto a new section, designated §17-24A-  
3 6a; and to amend and reenact §17A-4-10 of said code, all relating to abandoned motor vehicles;  
4 adding new definitions; establishing a process for automobile auctions to obtain title to and sell  
5 motor vehicles abandoned on its premises; creating a special procedure for a person to apply for  
6 and receive title to an abandoned antique motor vehicle valued at \$7500 or less; providing for the  
7 issuance of a Vehicle Removal Certificate to remove an antique motor vehicle from private  
8 property with permission of the property owner; providing that the Division of Motor Vehicles to  
9 search for the owner and lienholders of the motor vehicle and provide notice of the application for  
10 title to the vehicle; creating a procedure for the owner or lienholders to reclaim the vehicle within  
11 30 days of notice of an application for title to the vehicle; establishing fees to accompany an  
12 application for title to the vehicle; establishing fees for reclamation of the vehicle by owner or  
13 lienholder; creating a misdemeanor offense of interference with a person who has acquired title  
14 to an antique motor vehicle attempting to recover the vehicle from private property and  
15 establishing penalties upon conviction thereof; directing the division to promulgate rules and forms  
16 to effectuate new procedure; allowing an insurance company to obtain a salvage certificate or a  
17 cosmetic total loss salvage certificate after paying a total loss claim on a vehicle; and creating a  
18 process by which an automobile auction may apply for and obtain a salvage certificate or a  
19 nonrepairable motor vehicle certificate for certain vehicles on its property received from an insurer  
20 who subsequently denies a claim on the vehicle or otherwise does not obtain ownership of the  
21 vehicle; and providing for indemnity by the applicant to the Division of Motor Vehicles for the  
22 erroneous issuance of such title.

*Be it enacted by the Legislature of West Virginia:*

1           That §17-24A-1 and §17-24A-4 of the Code of West Virginia, 1931, as amended, be  
2 amended and reenacted; that said code be further amended by adding thereto a new section,  
3 designated §17-24A-6a; and to amend and reenact §17A-4-10 of said code, all to read as follows:

## CHAPTER 17. ROADS AND HIGHWAYS.

### ARTICLE 24A. DISPOSAL OF ABANDONED MOTOR VEHICLES, JUNKED MOTOR VEHICLES, AND ABANDONED OR INOPERATIVE HOUSEHOLD APPLIANCES.

#### §17-24A-1. Definitions.

1 Unless the context clearly indicates a different meaning, as used in this article:

2 (1) "Commissioner" means the Commissioner of the Division of Highways or his or her  
3 designee.

4 (2) "Abandoned household appliance" means a refrigerator, freezer, range, stove,  
5 automatic dishwasher, clothes washer, clothes dryer, trash compactor, television set, radio, air  
6 conditioning unit, commode, bed springs, mattress or other furniture, fixtures or appliances to  
7 which no person claims ownership and which is not in an enclosed building, a licensed salvage  
8 yard or the actual possession of a demolisher.

9 (3) "Abandoned motor vehicle" means any motor vehicle, or major part thereof, which is  
10 inoperative and which has been abandoned on public property for any period over five days, other  
11 than in an enclosed building or in a licensed salvage yard or at the business establishment of a  
12 demolisher; or any motor vehicle, or major part thereof, which has remained on private property  
13 without consent of the owner or person in control of the property for any period over five days; or  
14 any motor vehicle, or major part thereof, which is unattended, discarded, deserted and unlicensed  
15 and is not in an enclosed building, a licensed salvage yard or the actual possession of a  
16 demolisher: *Provided*, That a motor vehicle, or major part thereof, is not an abandoned motor  
17 vehicle if: (a) The owner of the motor vehicle is storing the motor vehicle on the owner's property;  
18 (b) the motor vehicle is being stored for the purpose of using its parts on other motor vehicles  
19 owned by the owner; (c) the owner owns other motor vehicles similar to the motor vehicle being

20 stored; and (d) the owner is a business licensed to do business in the State of West Virginia and  
21 not in the primary business of offering motor vehicles or parts thereof for sale.

22 (4) “Abandoned antique motor vehicle” means a vehicle that qualifies as both an  
23 abandoned motor vehicle and an antique motor vehicle.

24 (5) “Antique motor vehicle” means a vehicle that was manufactured more than twenty-five  
25 years before the current date.

26 ~~(4)~~ (6) “Demolisher” means any person licensed by the Commissioner of the Division of  
27 Highways whose business, to any extent or degree, is to convert a motor vehicle or any part  
28 thereof or an inoperative household appliance into processed scrap or scrap metal or into saleable  
29 parts or otherwise to wreck or dismantle vehicles or appliances.

30 (7) The “Division” means the West Virginia Division of Motor Vehicles.

31 ~~(5)~~ (8) “Enclosed building” means a structure surrounded by walls or one continuous wall  
32 and having a roof enclosing the entire structure and includes a permanent appendage thereto.

33 ~~(6)~~ (9) “Enforcement agency” means any of the following or any combination of the  
34 following:

35 (a) Public law-enforcement officers of this state, including natural resources police officers;

36 (b) Public law-enforcement officers of any county, city or town within this state; and

37 (c) The Commissioner of the Division of Highways, his or her duly authorized agents and  
38 employees.

39 ~~(7)~~ (10) “Inoperative household appliance” means a refrigerator, freezer, range, stove,  
40 automatic dishwasher, clothes washer, clothes dryer, trash compactor, television set, radio, air  
41 conditioning unit, commode, bed springs, mattress or other furniture, fixture or appliance which  
42 by reason of mechanical or physical defects can no longer be used for its intended purpose and  
43 which is either not serving a functional purpose or use or is not in an enclosed building, a licensed  
44 salvage yard or the actual possession of a demolisher.

45           ~~(8)~~ (11) “Junked motor vehicle” means a motor vehicle, or any part thereof which: (a) Is  
46 discarded, wrecked, ruined, scrapped or dismantled; (b) cannot pass the state inspection required  
47 by article sixteen, chapter seventeen-c of this code; and (c) is either not serving a functional  
48 purpose or use or is not in an enclosed building, a licensed salvage yard or the actual possession  
49 of a demolisher: *Provided*, That a motor vehicle, or major part thereof, is not a junked motor  
50 vehicle if: (a) The owner of the motor vehicle is storing the motor vehicle on the owner’s property;  
51 (b) the motor vehicle is being stored for the purpose of using its parts on other motor vehicles  
52 owned by the owner; (c) the owner owns other motor vehicles similar to the motor vehicle being  
53 stored; and (d) the owner is a business licensed to do business in the State of West Virginia and  
54 not in the primary business of offering motor vehicles or parts thereof for sale.

55           ~~(9)~~ (12) “Licensed salvage yard” means a salvage yard licensed under article twenty-three  
56 of this chapter.

57           ~~(10)~~ (13) “Motor vehicle” means a vehicle which is or was self-propelled, including, but not  
58 limited to, automobiles, trucks, buses and motorcycles.

59           ~~(11)~~ (14) “Person” means a natural person, corporation, firm, partnership, association or  
60 society and the plural as well as the singular.

61           (15) “Vehicle Identification Number” means a unique number or mark placed on a vehicle  
62 or part thereof by the manufacturer so as to identify it particularly and distinguish the vehicle or  
63 part from all other such vehicles or parts.

**§17-24A-4. Abandoned or junked motor vehicles; notification to motor vehicle owner and  
lienholder; charges and fees; exceptions.**

1           (a) The enforcement agency which takes into custody and possession an abandoned  
2 motor vehicle or junked motor vehicle shall, within fifteen days after taking custody and  
3 possession thereof, notify the last-known registered owner of the motor vehicle and all lienholders  
4 of record that the motor vehicle has been taken into custody and possession, the notification to  
5 be by registered or certified mail, return receipt requested. The notice shall:

6 (1) Contain a description of the motor vehicle, including the year, make, model,  
7 manufacturer's serial or identification number or any other number which may have been  
8 assigned to the motor vehicle by the Commissioner of Motor Vehicles and any distinguishing  
9 marks;

10 (2) Set forth the location of the facility where the motor vehicle is being held and the  
11 location where the motor vehicle was taken into custody and possession;

12 (3) Inform the owner and any lienholders of record of their right to reclaim the motor vehicle  
13 within ten days after the date notice was received by the owner or lienholders, upon payment of  
14 all towing, preservation and storage charges resulting from taking and placing the motor vehicle  
15 into custody and possession; and

16 (4) State that the failure of the owner or lienholders of record to exercise their right to  
17 reclaim the motor vehicle within the ten-day period shall be deemed a waiver by the owner and  
18 all lienholders of record of all right, title and interest in the motor vehicle and of their consent to  
19 the sale or disposal of the abandoned motor vehicle or junked motor vehicle at a public auction  
20 or to a licensed salvage yard or demolisher.

21 (b) If the identity of the last registered owner of the abandoned motor vehicle or junked  
22 motor vehicle cannot be determined or if the certificate of registration or certificate of title contains  
23 no address for the owner or if it is impossible to determine with reasonable certainty the identity  
24 and addresses of all lienholders, notice shall be published as a Class I legal advertisement in  
25 compliance with the provisions of article three, chapter fifty-nine of this code, the publication area  
26 shall be the county wherein the motor vehicle was located at the time the enforcement agency  
27 took custody and possession thereof and the notice shall be sufficient to meet all requirements of  
28 notice pursuant to this article. Any notice by publication may contain multiple listings of abandoned  
29 motor vehicles and junked motor vehicles. The notice shall be published within fifteen days after  
30 the motor vehicle is taken into custody and possession and shall have the same contents required

31 for a notice pursuant to subsection (a) of this section, except that the ten-day period shall run from  
32 the date the notice is published as aforesaid.

33 (c) An enforcement agency which hires any person or entity to take into custody and  
34 possession an abandoned motor vehicle or junked motor vehicle pursuant to this section shall  
35 notify the person or entity hired of the name and address of the registered owner of the motor  
36 vehicle, if known, and all lienholders of record, if any, within fifteen days after the vehicle is taken  
37 into custody and possession: *Provided*, That the requirements of this subsection shall not apply  
38 to motor vehicles for which the registered owner cannot be ascertained by due diligence or  
39 investigation.

40 (d) The person or entity hired by an enforcement agency to take into custody or possession  
41 an abandoned motor vehicle or junked motor vehicle shall, within thirty days after the possession,  
42 notify the registered owner of the vehicle and all lienholders of record, if any, as identified by the  
43 enforcement agency pursuant to subsection (c) of this section, by registered mail, return receipt  
44 requested, that the motor vehicle has been taken into custody and possession. The notice shall  
45 have the same contents required for a notice pursuant to subsection (a) of this section, including  
46 the ten-day period the owner or lienholder has to reclaim the motor vehicle. Upon the issuance of  
47 the notice, the identified owner of the motor vehicle is liable and responsible for all costs for  
48 towing, preservation and storage of the motor vehicle: *Provided*, That failure to issue the notice  
49 required by this subsection within thirty days after possession of the motor vehicle relieves the  
50 identified owner of the motor vehicle of any liability for charges for towing, preservation and  
51 storage in excess of the sum of the first five days of the charges: *Provided, however*, That the  
52 requirements of this subsection do not apply to motor vehicles for which the registered owner  
53 thereof cannot be ascertained by due diligence or investigation.

54 (e) For an abandoned motor vehicle or junked vehicle having a loan value of \$7,500 or  
55 less, as ascertained by values placed upon motor vehicles using a standard industry reference  
56 book, a person or entity hired by an enforcement agency to tow the abandoned motor vehicle or



57 junked motor vehicle may, if the motor vehicle is not claimed by the owner or a lienholder after  
58 notice within the time set forth in subsection (d) of this section or if the identity of the last registered  
59 owner of the abandoned motor vehicle or junked motor vehicle cannot be determined or if the  
60 certificate of registration or certificate of title contains no address of the owner or if it is impossible  
61 to determine with reasonable certainty the identity and address of all lienholders after publication  
62 as set forth in subsection (b) of this section, file an application with the Division of Motor Vehicles  
63 for a certificate of title and registration which, upon payment of the appropriate fees, shall be  
64 issued. The person or entity may then sell the motor vehicle at private sale or public auction.

65 ~~(f) For an abandoned motor or junked motor vehicle having a loan value of \$7,500 or less,~~  
66 ~~as ascertained by values placed upon motor vehicles using a standard industry reference book,~~  
67 A licensed motor vehicle dealer, as defined in section one, article one, chapter seventeen-a of  
68 this code, a licensed automobile auction as defined in section one, article six-c, chapter  
69 seventeen-a of this code, or a motor vehicle repair facility or a towing company registered with  
70 the Public Service Commission pursuant to section two-a, article two, chapter twenty-four-a of  
71 this code ~~may if a motor vehicle is abandoned on the property or place of business of the dealer~~  
72 ~~or a motor vehicle repair facility or towing company and is not claimed by the owner or a lienholder~~  
73 ~~after notice within the time set forth in subsection (d) of this section or if the identity of the last~~  
74 ~~registered owner of the abandoned motor vehicle cannot be determined or if the certificate of~~  
75 ~~registration or certificate of title contains no address of the owner or if it is impossible to determine~~  
76 ~~with reasonable certainty the identity and address of all lienholders after publication as set forth~~  
77 ~~in subsection (b) of this section~~ file an application with the Division of Motor Vehicles for a  
78 certificate of title and registration for an abandoned motor vehicle or junked vehicle. which, upon  
79 ~~payment of the appropriate fees, shall be issued. The dealer or motor vehicle repair facility or~~  
80 ~~towing company may then~~ Upon payment of the appropriate fees, the division shall deliver the  
81 certificate of title and registration to the applicant ~~sell the motor vehicle at private sale or public~~  
82 ~~auction, if:~~

83 (1) The vehicle has a loan value of \$7,500 or less, as ascertained by values placed upon  
84 motor vehicles using a standard industry reference book; and

85 (2) The motor vehicle is abandoned on the property or place of business of the dealer,  
86 licensed automobile auction, motor vehicle repair facility or towing company; and

87 (3) The motor vehicle is not claimed by the owner or a lienholder after notice within the  
88 time set forth in subsection (d) of this section; and

89 (4) One of the following situations applies:

90 (A) The identity of the last registered owner of the abandoned motor vehicle cannot be  
91 determined; or

92 (B) The certificate of registration or certificate of title contains no address of the owner; or

93 (C) It is impossible to determine with reasonable certainty the identity and address of all  
94 lienholders after publication as set forth in subsection (b) of this section.

95 (g) Upon receipt of the certificate of title and registration, the dealer, licensed automobile  
96 auction, motor vehicle repair facility or towing company may sell the vehicle at private sale or  
97 public auction.

98 (h) For purposes of this section motor vehicle repair facilities and towing companies are  
99 not used motor vehicle dealers as that term is defined by subdivision (2), subsection (a), section  
100 one, article six, chapter seventeen-a of this code.

**§17-24A-6a. Title to abandoned antique motor vehicle; special procedure; notice to owner;**  
**fees; criminal penalties.**

1 (a) Application for Title to Abandoned Antique Motor Vehicle. —

2 (1) A person may apply to the division for ownership and title to an abandoned antique  
3 motor vehicle if that person:

4 (A) Is the owner of private property on which the vehicle is located; or

5 (B) Has obtained a valid Vehicle Removal Certificate from the division.

6 (2) The application shall include the following:

7 (A) The name, address and other contact information of the applicant;

8 (B) The year, make, model, Vehicle Identification Number and any other identifying marks  
9 on the vehicle: *Provided*, That if there is no Vehicle Identification Number, the applicant shall  
10 provide all information available or reasonably ascertainable to identify the year, make and model  
11 of the vehicle; and

12 (C) Any other information required by the division.

13 (3) Upon application for title to an abandoned antique motor vehicle, the applicant shall  
14 pay a fee of \$100 to the division.

15 (b) *Vehicle Removal Certificate*.— In a manner prescribed by the division, a person may  
16 apply for a Vehicle Removal Certificate at no fee, by presenting records sufficient to demonstrate  
17 to a reasonable degree of certainty that the owner of the private property on which an abandoned  
18 antique motor vehicle is located has given the applicant written permission to remove the vehicle  
19 from the private property.

20 (c) *Search for Owner and Lienholders; Notice*.—

21 (1) Upon receipt of an application for title to an abandoned antique motor vehicle, the  
22 division shall initiate a search for the last owner of the vehicle and any lienholders of record of the  
23 vehicle, using the year, make, model, Vehicle Identification Number and any other identifying  
24 marks on the vehicle, and, if there is no Vehicle Identification Number, the information provided  
25 on the application related to the year, make and model of the motor vehicle that was available to  
26 the applicant. The division shall, at a minimum, search:

27 (A) Its own records;

28 (B) The records of a nationally recognized crime database; and

29 (C) Records of a nationally recognized motor vehicle title database for owner information.

30 (2) If, in the course of a search, the division discovers that the vehicle has been reported  
31 as stolen, the division shall notify the appropriate law-enforcement agency of that fact.

32 (3) If the division determines the identity and address of the owner and any lienholder, the  
33 division shall, by certified mail with return receipt requested, notify the owner and any lienholder  
34 of the application for title to the vehicle and the contact information for the owner of the property  
35 on which the vehicle is located. Such notice, when sent in accordance with these requirements,  
36 shall be sufficient regardless of whether or not it was ever received. The owner or lienholder will  
37 then have the following options, which shall be detailed in the division's letter of notice:

38 (A) Pay a \$100 fee to the division, \$50 of which shall be awarded to the applicant, and  
39 reclaim and remove the vehicle from private property within 30 days of the date of receiving notice  
40 at a time and in a manner arranged with the owner of the private property; or

41 (B) Waives all right, title, and interest in the motor vehicle, and the right, title, and interest  
42 in the vehicle shall be transferred to the applicant, free of all liens and encumbrances.

43 (4) If the division performs a search pursuant to this subsection and the identity and  
44 address of the owner cannot be determined with reasonable certainty, the division shall  
45 immediately transfer all right, title, and interest in the vehicle to the applicant, free and clear of all  
46 liens and encumbrances.

47 (d) Rules and Forms. —

48 (1) The division shall promulgate rules necessary to carry out this section, and shall create  
49 the following forms:

50 (A) A form to apply for the title to an abandoned antique vehicle, which shall require an  
51 applicant to provide the following information:

52 (i) The applicant's legal name and contact information;

53 (ii) The Vehicle Identification Number: *Provided*, that if the vehicle does not have a Vehicle  
54 Identification Number, the applicant shall follow the procedure set forth in subdivisions (2) and (3)  
55 of this subsection;

56 (iii) The year, make and model of the vehicle;

57 (iv) The current location of the vehicle; and

58 (v) The current contact information for the owner of the private property on which the  
59 vehicle is located.

60 (B) A Vehicle Removal Certificate, which shall be issued to a person who presents the  
61 records required by subsection (b) of this section and shall require the following information:

62 (i) The applicant's legal name and contact information;

63 (ii) The Vehicle Identification Number: *Provided*, that if the vehicle does not have a Vehicle  
64 Identification Number, the applicant shall follow the procedure set forth in subdivisions (2) and (3)  
65 of this subsection;

66 (iii) The year, make and model of the vehicle;

67 (iv) The current location of the vehicle; and

68 (v) The current contact information for the owner of the private property on which the  
69 vehicle is located.

70 (2) If an applicant or person requesting a Vehicle Removal Certificate cannot, after  
71 reasonable efforts, determine the Vehicle Identification Number of the vehicle, the person may  
72 pay a \$100 fee to the West Virginia State Police to inspect the vehicle, determine, in the sole  
73 discretion of the division, the year, make and model of the motor vehicle using all information  
74 available or reasonably ascertainable and assign the motor vehicle a new Vehicle Identification  
75 Number.

76 (3) If the West Virginia State Police cannot locate a Vehicle Identification Number on an  
77 abandoned antique vehicle, the West Virginia State Police shall verify in writing that the vehicle  
78 has no Vehicle Identification Number. The applicant may then present the written verification to  
79 the division, which shall then issue a new Vehicle Identification Number for the vehicle pursuant  
80 to section twenty, article three, chapter seventeen-a of this code.

81 (e) *Obstruction of removal of vehicle from private property prohibited.* — No person shall  
82 knowingly interfere with a person who has acquired title to an antique motor vehicle and is  
83 reclaiming and removing a vehicle from private property pursuant to the procedures set forth in

84 this section. Any person violating this subsection is guilty of a misdemeanor and, upon conviction  
85 thereof, shall be fined \$500.

## CHAPTER 17A. MOTOR VEHICLE ADMINISTRATION, REGISTRATION, CERTIFICATE OF TITLE, AND ANTITHEFT PROVISIONS.

### ARTICLE 4. TRANSFERS OF TITLE OR INTEREST.

#### §17A-4-10. Salvage certificates for certain wrecked or damaged vehicles; fee; penalty.

1 (a) In the event a motor vehicle is determined to be a total loss or otherwise designated  
2 as totaled by an insurance company or insurer, and upon payment of a total loss claim to an  
3 insured or claimant owner for the purchase of the vehicle, the insurance company or the insurer,  
4 as a condition of the payment, shall require the owner to surrender the certificate of title: *Provided,*  
5 That an insured or claimant owner may choose to retain physical possession and ownership of a  
6 total loss vehicle. If the vehicle owner chooses to retain the vehicle and the vehicle has not been  
7 determined to be a cosmetic total loss in accordance with subsection (d) of this section, the  
8 insurance company or insurer shall also require the owner to surrender the vehicle registration  
9 certificate. The term total loss means a motor vehicle which has sustained damages equivalent  
10 to seventy-five percent or more of the market value as determined by a nationally accepted used  
11 car value guide or meets the definition of a flood-damaged vehicle as defined in this section.

12 (b) The insurance company or insurer shall, prior to the payment of the total loss claim,  
13 determine if the vehicle is repairable, cosmetically damaged or nonrepairable. Except as provided  
14 in subsection (p) of this section, within ten days of payment of the total loss claim, the insurance  
15 company or insurer shall surrender the certificate of title, a copy of the claim settlement, a  
16 completed application on a form prescribed by the commissioner and the registration certificate if  
17 the owner has chosen to keep the vehicle to the Division of Motor Vehicles.

18 (c) If the insurance company or insurer determines that the vehicle is repairable, the  
19 division shall issue a salvage certificate, on a form prescribed by the commissioner, in the name  
20 of the insurance company, the insurer or the vehicle owner if the owner has chosen to retain the  
21 vehicle. The certificate shall contain, on the reverse, spaces for one successive assignment  
22 before a new certificate at an additional fee is required. Upon the sale of the vehicle, the insurance  
23 company, insurer or vehicle owner if the owner has chosen to retain the vehicle, shall complete  
24 the assignment of ownership on the salvage certificate and deliver it to the purchaser. The vehicle  
25 may not be titled or registered for operation on the streets or highways of this state unless there  
26 is compliance with subsection ~~(g)~~ (h) of this section. The division shall charge a fee of \$15 for  
27 each salvage title issued.

28 (d) If the insurance company or insurer determines the damage to a totaled vehicle is  
29 exclusively cosmetic and no repair is necessary in order to legally and safely operate the motor  
30 vehicle on the roads and highways of this state, the insurance company or insurer shall, upon  
31 payment of the claim, submit the certificate of title to the division. Neither the insurance company  
32 nor the division may require the vehicle owner to surrender the registration certificate in the event  
33 of a cosmetic total loss settlement.

34 (1) The division shall, without further inspection, issue a title branded cosmetic total loss  
35 to the insured or claimant owner if the insured or claimant owner wishes to retain possession of  
36 the vehicle, in lieu of a salvage certificate. The division shall charge a fee of \$5 for each cosmetic  
37 total loss title issued. The terms cosmetically damaged and cosmetic total loss do not include any  
38 vehicle which has been damaged by flood or fire. The designation cosmetic total loss on a title  
39 may not be removed.

40 (2) If the insured or claimant owner elects not to take possession of the vehicle and the  
41 insurance company or insurer retains possession, the division shall issue a cosmetic total loss  
42 salvage certificate to the insurance company or insurer. The division shall charge a fee of \$15 for  
43 each cosmetic total loss salvage certificate issued. The division shall, upon surrender of the

44 cosmetic total loss salvage certificate issued under the provisions of this paragraph and payment  
45 of the five percent motor vehicle sales tax on the fair market value of the vehicle as determined  
46 by the commissioner, issue a title branded cosmetic total loss without further inspection.

47 (e) If the insurance company or insurer determines that the damage to a totaled vehicle  
48 renders it nonrepairable, incapable of safe operation for use on roads and highways and as having  
49 no resale value except as a source of parts or scrap, the insurance company or vehicle owner  
50 shall, in the manner prescribed by the commissioner, request that the division issue a  
51 nonrepairable motor vehicle certificate in lieu of a salvage certificate. The division shall issue a  
52 nonrepairable motor vehicle certificate without charge.

53 (f) Any owner who scraps, compresses, dismantles or destroys a vehicle without further  
54 transfer or sale for which a certificate of title, nonrepairable motor vehicle certificate or salvage  
55 certificate has been issued shall, within forty-five days, surrender the certificate of title,  
56 nonrepairable motor vehicle certificate or salvage certificate to the division for cancellation.

57 (g) Any person who purchases or acquires a vehicle as salvage or scrap, to be dismantled,  
58 compressed or destroyed, shall, within forty-five days, surrender to the division the certificate of  
59 title, nonrepairable motor vehicle certificate, salvage certificate or a statement of cancellation  
60 signed by the seller, on a form prescribed by the commissioner. Subsequent purchasers of  
61 salvage or scrap are not required to comply with the notification requirement.

62 (h) If the motor vehicle is a reconstructed vehicle as defined in this section or section one,  
63 article one of this chapter, it may not be titled or registered for operation until it has been inspected  
64 by an official state inspection station and by the Division of Motor Vehicles. Following an approved  
65 inspection, an application for a new certificate of title may be submitted to the division. The  
66 applicant is required to retain all receipts for component parts, equipment and materials used in  
67 the reconstruction. The salvage certificate shall also be surrendered to the division before a  
68 certificate of title may be issued with the appropriate brand.



69 (i) The owner or title holder of a motor vehicle titled in this state which has previously been  
70 branded in this state or another state as salvage, reconstructed, cosmetic total loss, cosmetic  
71 total loss salvage, flood, fire, an equivalent term under another state's laws or a term consistent  
72 with the intent of the National Motor Vehicle Title Information System established pursuant to 49  
73 U. S. C. §30502 shall, upon becoming aware of the brand, apply for and receive a title from the  
74 Division of Motor Vehicles on which the brand "reconstructed," "salvage," "cosmetic total loss,"  
75 "cosmetic total loss salvage," "flood," fire or other brand is shown. The division shall charge a fee  
76 of \$5 for each title so issued.

77 (j) If application is made for title to a motor vehicle, the title to which has previously been  
78 branded reconstructed, salvage, cosmetic total loss, cosmetic total loss salvage, flood, fire or  
79 other brand by the Division of Motor Vehicles under this section and said application is  
80 accompanied by a title from another state which does not carry the brand, the division shall, before  
81 issuing the title, affix the brand "reconstructed," "cosmetic total loss," "cosmetic total loss salvage,"  
82 "flood," "fire" or other brand to the title. The motor vehicle sales tax paid on a motor vehicle titled  
83 as reconstructed, cosmetic total loss, flood, fire or other brand under the provisions of this section  
84 shall be based on fifty percent of the fair market value of the vehicle as determined by a nationally  
85 accepted used car value guide to be used by the commissioner.

86 (k) The division shall charge a fee of \$15 for the issuance of each salvage certificate or  
87 cosmetic total loss salvage certificate but shall not require the payment of the five percent motor  
88 vehicle sales tax. However, upon application for a certificate of title for a reconstructed, cosmetic  
89 total loss, flood or fire damaged vehicle or other brand, the division shall collect the five percent  
90 privilege tax on the fair market value of the vehicle as determined by the commissioner unless  
91 the applicant is otherwise exempt from the payment of such privilege tax. A  
92 wrecker/dismantler/rebuilder, licensed by the division, is exempt from the payment of the five  
93 percent privilege tax upon titling a reconstructed vehicle. The division shall collect a fee of \$35  
94 per vehicle for inspections of reconstructed vehicles. These fees shall be deposited in a special

95 fund created in the State Treasurer's Office and may be expended by the division to carry out the  
96 provisions of this article: *Provided*, That on and after July 1, 2007, any balance in the special fund  
97 and all fees collected pursuant to this section shall be deposited in the State Road Fund. Licensed  
98 wreckers/dismantlers/rebuilders may charge a fee not to exceed \$25 for all vehicles owned by  
99 private rebuilders which are inspected at the place of business of a wrecker/dismantler/rebuilder.

100 (l) As used in this section:

101 (1) "Reconstructed vehicle" means the vehicle was totaled under the provisions of this  
102 section or by the provisions of another state or jurisdiction and has been rebuilt in accordance  
103 with the provisions of this section or in accordance with the provisions of another state or  
104 jurisdiction or meets the provisions of subsection ~~(m)~~ (n), section one, article one of this chapter.

105 (2) "Flood-damaged vehicle" means that the vehicle was submerged in water to the extent  
106 that water entered the passenger or trunk compartment.

107 (3) "Other brand" means a brand consistent with the intent of the National Motor Vehicle  
108 Title Information System established pursuant to 49 U. S. C. §30502 and rules promulgated by  
109 the United States Department of Justice to alert consumers, motor vehicle dealers or the  
110 insurance industry of the history of a vehicle.

111 (m) Every vehicle owner shall comply with the branding requirements for a totaled vehicle  
112 whether or not the owner receives an insurance claim settlement for a totaled vehicle.

113 (n) A certificate of title issued by the division for a reconstructed vehicle shall contain  
114 markings in bold print on the face of the title that it is for a reconstructed, flood- or fire damaged  
115 vehicle.

116 (o) Any person who knowingly provides false or fraudulent information to the division that  
117 is required by this section in an application for a title, a cosmetic total loss title, a reconstructed  
118 vehicle title or a salvage certificate or who knowingly fails to disclose to the division information  
119 required by this section to be included in the application or who otherwise violates the provisions  
120 of this section is guilty of a misdemeanor and, upon conviction thereof, shall for each incident be

121 fined not less than \$1,000 nor more than \$2,500, or imprisoned in jail for not more than one year,  
122 or both fined and imprisoned.

123 (p) Notwithstanding any other provision of law and with respect to a vehicle which the  
124 vehicle owner has not chosen to retain, if an insurance company or insurer is unable to obtain the  
125 properly endorsed certificate of title for a motor vehicle within thirty days of the payment of a total  
126 loss claim, the insurance company or insurer, at any time thereafter, may apply to the Division of  
127 Motor Vehicles for a salvage certificate, a cosmetic total loss salvage certificate or a nonrepairable  
128 motor vehicle certificate, as applicable. The application shall be accompanied by evidence that  
129 the insurance company or insurer has paid a total loss claim on the vehicle, a copy of a written  
130 request for the certificate of title sent to the vehicle owner and any known lienholder by the  
131 insurance company or insurer or a designee of the insurance company or insurer, proof that the  
132 request was sent by certified mail, return receipt requested, to the last known address of the  
133 vehicle owner and any known lienholder, service to be complete upon the mailing thereof, and  
134 the required fee, if applicable. Upon receipt of a properly completed application, the division shall  
135 issue a salvage certificate, a cosmetic total loss salvage certificate or a nonrepairable motor  
136 vehicle certificate, as applicable, in the name of the insurance company or insurer. Such salvage  
137 certificate, cosmetic total loss salvage certificate or nonrepairable motor vehicle certificate shall  
138 be issued free and clear of all liens and claims of ownership.

139 (q) If an insurance company or insurer requests that an automobile auction take  
140 possession of a motor vehicle that is the subject of an insurance claim, and subsequently the  
141 insurance company denies coverage with respect to the motor vehicle or otherwise does not take  
142 ownership of the motor vehicle, the automobile auction may proceed as follows. At any time after  
143 the automobile auction has had possession of the motor vehicle for forty-five days, it may apply  
144 to the division for a salvage certificate or a nonrepairable motor vehicle certificate without  
145 surrendering the certificate of title for the motor vehicle. The application shall be accompanied by  
146 a copy of a written request, on the automobile auction's letterhead, requesting that, upon payment

147 of applicable charges, the vehicle be removed from the automobile auction's facility, proof that  
148 the request was delivered by a nationally-recognized courier service or by certified mail to the  
149 vehicle owner and any known lienholder at least fifteen days before the date of the application,  
150 and the required fee, if applicable. Upon receipt of a properly completed application, the division  
151 shall issue a salvage certificate or a nonrepairable motor vehicle certificate, as applicable, in the  
152 name of the automobile auction. Such salvage certificate or nonrepairable motor vehicle  
153 certificate shall be issued free and clear of all liens and claims of ownership.

154 (r) An applicant pursuant to subsection (p) or (q) of this section shall indemnify and hold  
155 harmless the Division of Motor Vehicles from any liability arising from an error or  
156 misrepresentation made by such applicant in a submission to the division pursuant to subsection  
157 (p) or (q) of this section.