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SENATE BILL NO. 756

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Transportation
on February 10, 2000)

(Patron Prior to Substitute—Senator Williams)

A BILL to amend and reenact §§ 46.2-1600, 46.2-1602.1, and 46.2-1603 of the Code of Virginia, and to amend the Code of Virginia by adding a section numbered 46.2-209.1, relating to release of vehicle information by the Department of Motor Vehicles; salvage vehicles.

Be it enacted by the General Assembly of Virginia:

1. That §§ 46.2-1600, 46.2-1602.1, and 46.2-1603 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 46.2-209.1 as follows:

§ 46.2-209.1. Release of vehicle information by Department to prospective vehicle purchasers.

Notwithstanding the provisions of § 46.2-208, the Commissioner may furnish vehicle information to a prospective purchaser of that vehicle, if the prospective purchaser completes an application therefor, including the vehicle's make, model, year, and vehicle identification number, and pays the fee prescribed by the Commissioner. Such information furnished by the Commissioner may be provided from Department's own records, or may be obtained by the Commissioner through the National Motor Vehicle Title Information System or any other nationally recognized system providing similar information.

Nothing in this section shall be construed to authorize the release of any personal information as defined in § 2.1-379.

§ 46.2-1600. Definitions.

The following words, terms, and phrases when used in this chapter shall have the meaning ascribed to them in this section, except where the context indicates otherwise:

"Actual cash value," as applied to a vehicle, means the retail cash value of the vehicle prior to damage as determined, using recognized evaluation sources, either (i) by an insurance company responsible for paying a claim or (ii) if no insurance company is responsible therefor, by the Department.

"Current salvage value," as applied to a vehicle, means (i) the salvage value of the vehicle, as determined by the insurer responsible for paying the claim, or (ii) if no insurance company is responsible therefor, twenty-five percent of the actual cash value.

"Demolisher" means any person whose business is to crush, flatten, or otherwise reduce a vehicle to a state where it can no longer be considered a vehicle.

"Diminished value compensation" means the amount of compensation that an insurance company pays to a third party vehicle owner, in addition to the cost of repairs, for the reduced value of a vehicle due to damage.

"Independent appraisal firm" means any business providing cost estimates for the repair of damaged motor vehicles for insurance purposes and having all required business licenses and zoning approvals. This term shall not include insurance companies that provide the same service, nor shall any such entity be a rebuilder or affiliated with a rebuilder.

"Late model vehicle" means the current-year model of a vehicle and the ~~five~~ six preceding model years, or any vehicle whose actual cash value is determined to have been at least \$5,000 \$7,500 prior to being damaged.

"Licensee" means any person who is licensed or is required to be licensed under this chapter.

"Nonrepairable certificate" means a document of ownership issued by the Department for any nonrepairable vehicle upon surrender or cancellation of the vehicle's title and registration or salvage certificate.

"Nonrepairable vehicle" means (i) any late model vehicle that has been damaged and whose estimated cost of repair exceeds ninety percent of its actual cash value prior to damage or (ii) any vehicle which has been determined to be nonrepairable by its insurer or owner, and for which a nonrepairable certificate has been issued or applied for, or (iii) any other vehicle which has been damaged, is inoperable, and has no value except for use as parts and scrap metal.

"Rebuilder" means any person who acquires and repairs, for use on the public highways, two or more salvage vehicles within a twelve-month period.

"Rebuilt vehicle" means (i) any salvage vehicle that has been damaged as a result of collision, fire, flood, accident, trespass, or any other occurrence and has been repaired and the estimated cost of repair exceeded seventy-five percent of its actual cash value, for use on the public highways or (ii) any late model vehicle which has been repaired and the estimated cost of repair exceeded seventy-five percent of

60 its actual cash value, excluding the cost to repair damage to the engine, transmission, or drive axle
61 assembly.

62 "Salvage certificate" means a document of ownership issued by the Department for any salvage
63 vehicle upon surrender or cancellation of the vehicle's title and registration.

64 "Salvage dealer" means any person who acquires any vehicle for the purpose of reselling any parts
65 thereof.

66 "Salvage pool" means any person providing a storage service for salvage vehicles or nonrepairable
67 vehicles who either displays the vehicles for resale or solicits bids for the sale of salvage vehicles or
68 nonrepairable vehicles, but this definition shall not apply to an insurance company which stores and
69 displays fewer than 100 salvage vehicles and nonrepairable vehicles in one location; however, any two
70 or more insurance companies who display salvage and nonrepairable vehicles for resale, using the same
71 facilities, shall be considered a salvage pool.

72 "Salvage vehicle" means (i) any late model vehicle ~~which~~ *that* has been (a) acquired by an insurance
73 company as a part of the claims process, *other than a stolen vehicle* or (b) damaged as a result of
74 collision, fire, flood, accident, trespass, or any other occurrence to such an extent that its estimated cost
75 of repair, excluding charges for towing, storage, and temporary replacement/rental vehicle or payment
76 for diminished value compensation, would exceed its actual cash value less its current salvage value; (ii)
77 any *recovered* stolen vehicle ~~an insurance company has acquired as a part of the claims process,~~
78 *acquired by an insurance company as a part of the claims process, whose estimated cost of repair*
79 *exceeds seventy-five percent of its actual cash value;* or (iii) any other vehicle which is determined to be
80 a salvage vehicle by its owner or an insurance company by applying for a salvage certificate for the
81 vehicle, provided that such vehicle is not a nonrepairable vehicle.

82 "Scrap metal processor" means any person who is engaged in the business of processing vehicles into
83 scrap for remelting purposes who, from a fixed location, utilizes machinery and equipment for
84 processing and manufacturing ferrous and nonferrous metallic scrap into prepared grades, and whose
85 principal product is metallic scrap.

86 "Vehicle removal operator" means any person who acquires a vehicle for the purpose of reselling it
87 to a demolisher, scrap metal processor, or salvage dealer.

88 § 46.2-1602.1. Duties of insurance companies upon acquiring certain vehicles.

89 Every insurance company ~~which~~ *that* acquires, as a result of the claims process, any late model
90 vehicle titled in the Commonwealth or any *recovered* stolen vehicle *whose estimated cost of repair*
91 *exceeds seventy-five percent of its actual cash value* shall apply to and obtain from the Department
92 either (i) a salvage certificate *or a certificate of title* as provided in § 46.2-1603 or (ii) a nonrepairable
93 certificate as provided in § 46.2-1603.2 for each such vehicle. An insurance company may apply to and
94 obtain from the Department either a salvage certificate as provided in § 46.2-1603 or a nonrepairable
95 certificate as provided in § 46.2-1603.2 for any other vehicle which is determined to be either a salvage
96 vehicle or a nonrepairable vehicle.

97 § 46.2-1603. Obtaining salvage certificate or certificate of title for an unrecovered stolen vehicle.

98 A. The owner of any vehicle titled in the Commonwealth may declare such vehicle to be a salvage
99 vehicle and apply to the Department and obtain a salvage certificate for that vehicle.

100 B. Every insurance company or its authorized agent shall apply to the Department and obtain a
101 salvage certificate for ~~(i)~~ each late model vehicle acquired by the insurance company as the result of the
102 claims process if such vehicle is titled in the Commonwealth and is a salvage vehicle ~~and~~ *(ii)*.

103 C. *Every insurance company or its authorized agent shall apply to the Department and obtain a*
104 *certificate of title for each stolen vehicle acquired by the insurance company as the result of the claims*
105 *process if such vehicle is titled in the Commonwealth and has not been recovered at the time of*
106 *application to the Department. For each recovered stolen vehicle, acquired as a result of the claims*
107 *process, whose estimated cost of repair exceeds seventy-five percent of its actual cash value, the*
108 *insurance company or its authorized agent shall apply to the Department and obtain a salvage*
109 *certificate.* The application shall be accompanied by the vehicle's title certificate and shall contain a
110 description of the damage to the salvage vehicle and an itemized estimate of the cost of repairs up to
111 the point where a nonrepairable certificate would be issued. Application for the salvage certificate shall
112 be made within fifteen days after payment has been made to the owner, lienholder, or both. *Application*
113 *for the salvage certificate shall be made within fifteen days after the stolen vehicle is recovered.*

114 CD. Every insurance company or its authorized agent shall notify the Department of each late model
115 vehicle titled in the Commonwealth on which a claim for damage to the vehicle has been paid by the
116 insurance company if (i) the estimated cost of repair exceeds seventy-five percent of actual cash value of
117 the vehicle and (ii) the vehicle is to be retained by its owner. No such notification shall be required for
118 a vehicle when a supplemental claim has been paid for the cost of repairs to the engine, transmission, or
119 drive axle assembly if such components are replaced by components of like kind and quality.

120 DE. Every owner of an uninsured or self-insured late model vehicle which sustains damage to such
121 an extent that the estimated cost of repairs exceeds seventy-five percent of the actual cash value of the

vehicle prior to being damaged shall similarly apply for and obtain a salvage certificate. If no estimated cost of repairs is available from an insurance company, the owner of the vehicle may provide an estimate from an independent appraisal firm. Any such estimate from an independent appraisal firm shall be verified by the Department in such a manner as may be provided for by Department regulations.

EF. The fee for issuance of the salvage certificate shall be ten dollars. If a salvage vehicle is sold after a salvage certificate has been issued, the owner of the salvage vehicle shall make proper assignment to the purchaser.

EG. The Department, upon receipt of an application for a salvage certificate for a vehicle titled in the Commonwealth, or upon receipt of notification from an insurance company or its authorized agent as provided in subsection *ED* of this section, shall cause the title of such vehicle to be cancelled and the appropriate certificate issued to the vehicle's owner.

EH. All provisions of this Code applicable to a motor vehicle certificate of title shall apply, mutatis mutandis, to a salvage certificate, except that no registration or license plates shall be issued for the vehicle described in the salvage certificate. A vehicle for which a salvage certificate has been issued may be retitled for use on the highways in accordance with the provisions of § 46.2-1605.