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**HOUSE BILL NO. 1521**

Offered January 8, 2003

Prefiled December 19, 2002

*A BILL to amend and reenact §§ 46.2-1600 and 46.2-1605 of the Code of Virginia, relating to salvage vehicles; branding of titles of repaired or rebuilt vehicles as salvage vehicles.*

Patrons—Hogan, Lingamfelter, Petersen and Rapp

Referred to Committee on Transportation

**Be it enacted by the General Assembly of Virginia:****1. That §§ 46.2-1600 and 46.2-1605 of the Code of Virginia are amended and reenacted as follows:****§ 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 six preceding model years, or any vehicle whose actual cash value is determined to have been at least \$7,500 prior to being damaged.

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

"Major component" means any one of the following subassemblies of a motor vehicle: (i) front clip assembly, consisting of the fenders, grille, hood, bumper, and related parts; (ii) engine; (iii) transmission; (iv) rear clip assembly, consisting of the quarter panels, floor panels, trunk lid, bumper, and related parts; (v) frame; (vi) air bags; and (vii) any door that displays a vehicle identification number.

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

"Repaired vehicle" means any salvage vehicle that has had repairs less than the amount necessary to make it a rebuilt vehicle.

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

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

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

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

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

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

82 § 46.2-1605. Vehicles repaired or rebuilt for highway use; examinations; branding of titles.

83 Each salvage vehicle that has been repaired or rebuilt for use on the highways shall be examined by  
84 the Department prior to the issuance of a title for the vehicle. The examination shall include a review of  
85 all documentation for the parts and labor used for the repair of the salvage vehicle and a verification of  
86 the vehicle's identification number, confidential number, and odometer reading. The Commissioner shall  
87 ensure that, in scheduling and performing examinations of salvage vehicles under this section, single  
88 vehicles owned by private owner-operators are afforded no lower priority than examinations of vehicles  
89 owned by motor vehicle dealers, salvage dealers, demolishers, rebuilders, salvage pools, or vehicle  
90 removal operators. The Commissioner may charge an appropriate fee, not to exceed twenty-five dollars  
91 per vehicle, for the examination of repaired and rebuilt vehicles.

92 Any salvage vehicle whose vehicle identification number or confidential number has been altered, is  
93 missing, or appears to have been tampered with may be impounded by the Department until completion  
94 of an investigation by the Department. The vehicle may not be moved, sold, or tampered with until the  
95 completion of this investigation. Upon completion of an investigation by the Department, if the vehicle  
96 identification number is found to be missing or altered, a new vehicle identification number may be  
97 issued by the Department. If the vehicle is found to be a stolen vehicle and its owner can be  
98 determined, the vehicle shall be returned to him. If the owner cannot be determined or located and the  
99 person seeking to title the vehicle has been convicted of a violation of § 46.2-1074 or § 46.2-1075, the  
100 vehicle shall be deemed forfeited to the Commonwealth. Each such vehicle shall be sold at public  
101 auction and the proceeds thereof, after satisfaction of any liens, returned to the state treasury for use by  
102 the Department. If the Department's examination of a repaired or rebuilt salvage vehicle indicates no  
103 irregularities, a title and registration may be issued for the vehicle upon application therefor to the  
104 Department by the owner of the salvage vehicle. ~~If the vehicle is a rebuilt vehicle, the~~ The title issued  
105 by the Department and any subsequent title thereafter issued for the *repaired or rebuilt* vehicle shall be  
106 permanently branded to indicate that it is a ~~rebuilt salvage vehicle~~. ~~If the repaired vehicle is not a rebuilt~~  
107 ~~vehicle, the Department shall issue a certificate of title without branding.~~ All *repaired and rebuilt*  
108 vehicles shall be subject to all safety equipment requirements provided by law. No title or registration  
109 shall be issued by the Department for any vehicle for which a nonrepairable certificate has ever been  
110 issued.