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HOUSE BILL NO. 1873

Offered January 12, 2011

Prefiled January 11, 2011

A BILL to amend and reenact §§ 46.2-1600 and 46.2-1605 of the Code of Virginia, relating to converted vehicles.

Patron—Toscano

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.

"Converted vehicle" means a vehicle that has been modified from a conventional internal combustion engine vehicle to electric propulsion, creating an all-electric or plug-in hybrid electric vehicle.

"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, 25 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 preceding model years, or any vehicle whose actual cash value is determined to have been at least \$10,000 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 90 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 12-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 75 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 75 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

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59 vehicle upon surrender or cancellation of the vehicle's title and registration.

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

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

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

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

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

83 § 46.2-1605. Vehicles repaired or rebuilt for highway use; converted vehicles; examinations; branding
84 of titles.

85 Each salvage vehicle that has been repaired or rebuilt for use on the highways *and each converted*
86 *vehicle* shall be examined by the Department prior to the issuance of a title for the vehicle. The
87 examination shall include a review of all documentation for the parts and labor used for the repair of the
88 salvage vehicle *or the modification of the converted vehicle* and a verification of the vehicle's
89 identification number, confidential number, and odometer reading. The Commissioner shall ensure that,
90 in scheduling and performing examinations of salvage *and converted* vehicles under this section, single
91 vehicles owned by private owner-operators are afforded no lower priority than examinations of vehicles
92 owned by motor vehicle dealers, salvage dealers, demolishers, rebuilders, salvage pools, or vehicle
93 removal operators. The Commissioner may charge a fee of \$125 per vehicle, for the examination of
94 ~~repaired and rebuilt~~ vehicles *under this section. Notwithstanding the other provisions of this section, if*
95 *the owner of a converted vehicle is able to present an affidavit, supported by receipts, that he converted*
96 *the vehicle or hired someone to convert the vehicle, then the vehicle is not required to be examined by*
97 *the Department.*

98 Any salvage vehicle whose vehicle identification number or confidential number has been altered, is
99 missing, or appears to have been tampered with may be impounded by the Department until completion
100 of an investigation by the Department. The vehicle may not be moved, sold, or tampered with until the
101 completion of this investigation. Upon completion of an investigation by the Department, if the vehicle
102 identification number is found to be missing or altered, a new vehicle identification number may be
103 issued by the Department. If the vehicle is found to be a stolen vehicle and its owner can be
104 determined, the vehicle shall be returned to him. If the owner cannot be determined or located and the
105 person seeking to title the vehicle has been convicted of a violation of § 46.2-1074 or § 46.2-1075, the
106 vehicle shall be deemed forfeited to the Commonwealth. Each such vehicle shall be sold at public
107 auction and the proceeds thereof, after satisfaction of any liens, returned to the state treasury for use by
108 the Department. If the Department's examination of a repaired or rebuilt salvage vehicle indicates no
109 irregularities, a title and registration may be issued for the vehicle upon application therefor to the
110 Department by the owner of the salvage vehicle. The title issued by the Department and any subsequent
111 title thereafter issued for the repaired or rebuilt vehicle shall be permanently branded to indicate that it
112 is a repaired or rebuilt vehicle.

113 All repaired ~~and~~, rebuilt, *and converted* vehicles shall be subject to all safety equipment requirements
114 provided by law. No title or registration shall be issued by the Department for any vehicle for which a
115 nonrepairable certificate has ever been issued.