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SENATE BILL NO. 539

Offered January 13, 2010

Prefiled January 13, 2010

A *BILL to amend and reenact §§ 46.2-624 and 46.2-1600 of the Code of Virginia, relating to water-damaged vehicles.*

Patron—Newman

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:**1. That §§ 46.2-624 and 46.2-1600 of the Code of Virginia are amended and reenacted as follows:**

§ 46.2-624. Information required on transfer of titles of taxicabs or vehicles damaged by water.

A. Unless there is attached to the certificate of title of the vehicle a statement signed by the owner to the effect that the vehicle has been used as a taxicab or has been damaged by water, it shall be unlawful for any person knowingly to sell, transfer, or otherwise dispose of any motor vehicle that:

1. Has been used as a taxicab, or

2. Has been damaged by water to such an extent that the insurance company insuring it has paid a claim of \$1,000 or more because of this water damage or has determined the motor vehicle to be a total loss.

B. Violation of subsection A of this section shall constitute a Class 1 misdemeanor.

C. On receipt of a certificate of title to which the information required in subsection A of this section is attached, the Commissioner shall, on issuing a new certificate of title, place an appropriate indicator upon such certificate in order to convey that information to the new owner of the motor vehicle. *Applications for title for water-damaged vehicles shall be accompanied by documentation acceptable to the Commissioner that the vehicle should not be considered a salvage vehicle. In addition to the fees set out in § 46.2-627, a processing fee of \$50 shall be paid at the time of application into the state treasury and set aside as a special fund to be used to meet the expenses of the Department.*

§ 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, 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.

(Effective until October 1, 2009) "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.

(Effective October 1, 2009) "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.

"Nonreparable certificate" means a document of ownership issued by the Department for any

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59 nonrepairable vehicle upon surrender or cancellation of the vehicle's title and registration or salvage
60 certificate.

61 "Nonrepairable vehicle" means (i) any late model vehicle that has been damaged and whose
62 estimated cost of repair exceeds 90 percent of its actual cash value prior to damage, or (ii) any vehicle
63 which has been determined to be nonrepairable by its insurer or owner, and for which a nonrepairable
64 certificate has been issued or applied for, or (iii) any other vehicle which has been damaged, is
65 inoperable, and has no value except for use as parts and scrap metal.

66 "Rebuilder" means any person who acquires and repairs, for use on the public highways, two or
67 more salvage vehicles within a 12-month period.

68 "Rebuilt vehicle" means (i) any salvage vehicle that has been damaged as a result of collision, fire,
69 flood, accident, trespass, or any other occurrence and has been repaired and the estimated cost of repair
70 exceeded 75 percent of its actual cash value, for use on the public highways or (ii) any late model
71 vehicle which has been repaired and the estimated cost of repair exceeded 75 percent of its actual cash
72 value, excluding the cost to repair damage to the engine, transmission, or drive axle assembly.

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

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

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

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

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

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

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

100 "Water-damaged vehicle" means any noncollision vehicle that is damaged solely as a result of water
101 or flood.