

**Representative David L. Hogue** proposes to substitute the following bill:

**SALVAGE VEHICLE AMENDMENTS**

2001 GENERAL SESSION

STATE OF UTAH

**Sponsor: David L. Hogue**

**This act modifies the Motor Vehicle Code by prohibiting registration and revoking the title of certain salvage vehicles. This act allows for the collection of fees and for rulemaking.**

**This act takes effect on October 1, 2001.**

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

**41-1a-110**, as last amended by Chapter 345, Laws of Utah 2000

**41-1a-1002**, as last amended by Chapter 184, Laws of Utah 1994

**41-1a-1009**, as last amended by Chapter 217, Laws of Utah 1999

ENACTS:

**41-1a-1013**, Utah Code Annotated 1953

*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **41-1a-110** is amended to read:

**41-1a-110. Authority of division to suspend or revoke registration, certificate of title, license plate, or permit.**

(1) Except as provided in Subsections (3) and (4), the division may suspend or revoke a registration, certificate of title, license plate, or permit if:

(a) the division is satisfied that a registration, certificate of title, license plate, or permit was fraudulently procured or erroneously issued;

(b) the division determines that a registered vehicle is mechanically unfit or unsafe to be operated or moved upon the highways;

(c) a registered vehicle has been dismantled;



26 (d) the division determines that the required fee has not been paid and the fee is not paid  
27 upon reasonable notice and demand;

28 (e) a registration decal, license plate, or permit is knowingly displayed upon a vehicle other  
29 than the one for which issued;

30 (f) the division determines that the owner has committed any offense under this chapter  
31 involving the registration, certificate of title, registration card, license plate, registration decal, or  
32 permit; or

33 (g) the division receives notification by the Department of Transportation that the owner  
34 has committed any offence under Title 72, Chapter 9, Motor Carrier Safety Act.

35 (2) The division shall revoke the registration of a vehicle if the division receives  
36 notification by the:

37 (a) Department of Public Safety that a person:

38 (i) has been convicted of operating a registered motor vehicle in violation of Section  
39 41-12a-301 or 41-12a-303.2; or

40 (ii) is under an administrative action taken by the Department of Public Safety for  
41 operating a registered motor vehicle in violation of Section 41-12a-301; or

42 (b) designated agent that the owner of a motor vehicle:

43 (i) has failed to provide satisfactory proof of owner's or operator's security to the  
44 designated agent after the second notice provided under Section 41-12a-804; or

45 (ii) provided a false or fraudulent statement to the designated agent.

46 (3) The division may not suspend or revoke the registration of a vessel or outboard motor  
47 unless authorized under Section 73-18-7.3.

48 (4) The division may not suspend or revoke the registration of an off-highway vehicle  
49 unless authorized under Section 41-22-17.

50 (5) The division shall charge a registration reinstatement fee under Section 41-1a-1220,  
51 if the registration is revoked under Subsection (1)(f).

52 (6) The division shall revoke the certificate of title of a vehicle, vessel, or outboard motor  
53 h [that is considered junk] h if the division issues it a junk permit as provided in Section 41-1a-1009.

54 Section 2. Section **41-1a-1002** is amended to read:

55 **41-1a-1002. Unbranded title -- Prerepair inspections -- Interim repair inspections**  
56 **-- Repair.**

- 57 (1) To obtain an unbranded title to a salvage vehicle:
- 58 (a) the vehicle must:
- 59 (i) be a motor vehicle;
- 60 (ii) (A) have an unbranded Utah title or a Utah salvage certificate issued to replace an  
61 unbranded Utah title at the time the motor vehicle is inspected under Subsection (1)(a)(iii); or  
62 (B) have an unbranded title from another jurisdiction and the motor vehicle shall have  
63 been damaged in Utah as evidenced by an accident report;
- 64 (iii) be inspected by a certified vehicle inspector prior to any repairs on the motor vehicle  
65 following any major damage; and
- 66 (iv) have major damage in no more than one major component part;
- 67 (b) the major damage identified by a certified vehicle inspector under Subsection (1)(a)  
68 must be repaired in accordance with standards established by the Motor Vehicle Enforcement  
69 Division;
- 70 (c) any interim inspection required by a certified vehicle inspector must be completed in  
71 accordance with the directions of the initial certified vehicle inspector and to the satisfaction of  
72 the interim certified vehicle inspector; and
- 73 (d) the owner must apply to the Motor Vehicle Enforcement Division for authorization to  
74 obtain an unbranded title under Section 41-1a-1003.
- 75 (2) A flood damaged motor vehicle does not qualify for an unbranded title.
- 76 (3) A salvage vehicle [~~that is seven years old or older at the time of application for~~  
77 ~~unbranding~~] does not qualify for an unbranded title[-] if the vehicle is:
- 78 (a) seven years old or older at the time of application for unbranding based on model year;  
79 or
- 80 (b) damaged by collision, flood, or other occurrence to the extent that the cost of repairing  
81 the vehicle for safe operation exceeds its fair market value.
- 82 (4) The prerepair motor vehicle inspection required under Subsection (1) shall include  
83 examination of the motor vehicle and its major component parts to determine:
- 84 (a) the extent and location of the major damage to the motor vehicle;
- 85 (b) that the identification numbers of the vehicle or its parts have not been removed,  
86 falsified, altered, defaced, or destroyed; and
- 87 (c) there are no indications that the vehicle or any of its parts are stolen.

88 (5) If the certified vehicle inspector determines in an inspection under Subsection (1) that  
89 the motor vehicle has major damage:

90 (a) in more than one major component part, the certified vehicle inspector shall notify the  
91 Motor Vehicle Enforcement Division and the owner that the motor vehicle does not qualify for an  
92 unbranded title; or

93 (b) requiring repair or replacement in one or no major component part he shall:

94 (i) record on the vehicle damage disclosure statement the:

95 (A) date of the inspection;

96 (B) description of the motor vehicle including its vehicle identification number, make,  
97 model, and year of manufacture;

98 (C) owner of the motor vehicle and name of the lienholder, if any, shown on the salvage  
99 certificate; and

100 (D) major damage to the motor vehicle requiring repair or replacement;

101 (ii) indicate that the motor vehicle may qualify for an unbranded title if the major damage  
102 is repaired or the damaged part is replaced;

103 (iii) sign the vehicle damage disclosure statement and attest to the information's accuracy;

104 (iv) indicate whether an interim inspection of the motor vehicle damage repairs is required  
105 and which repairs require inspection prior to completion of repair work;

106 (v) give to the owner a copy of the vehicle damage disclosure statement and deliver or mail  
107 a copy of the statement to the lienholder, if any, shown on the salvage certificate; and

108 (vi) file the original vehicle damage disclosure statement with the Motor Vehicle  
109 Enforcement Division.

110 (6) (a) Upon receipt by the Motor Vehicle Enforcement Division of notification from a  
111 certified vehicle inspector that a motor vehicle has had a preresearch inspection, the Motor Vehicle  
112 Enforcement Division shall make a record of the inspection.

113 (b) Any subsequent preresearch inspections shall be disregarded by the Motor Vehicle  
114 Enforcement Division in evaluating the major damage to the motor vehicle and the repairs  
115 required.

116 (7) A person who repairs or replaces major damage identified by a certified vehicle  
117 inspector on a motor vehicle in accordance with Subsection (1) shall:

118 (a) record on the vehicle damage disclosure statement:

119 (i) a description of the repairs made to the motor vehicle including how they were made;  
120 and

121 (ii) his signature following the repair description with an attestation that the description  
122 is accurate;

123 (b) obtain the signature of the certified vehicle inspector who performs an interim  
124 inspection, attesting that the repairs identified for interim inspection were satisfactorily completed;

125 (c) file the original vehicle damage disclosure statement containing the repair information  
126 with the Motor Vehicle Enforcement Division; and

127 (d) give a copy of the vehicle damage disclosure statement to the owner.

128 Section 3. Section **41-1a-1009** is amended to read:

129 **41-1a-1009. Junk permit for vehicles, vessels, and outboard motors -- Determination**  
130 **by commission -- Disposal of vehicles -- Fees.**

131 (1) The division shall issue a junk permit for a vehicle, vessel, or outboard motor that  
132 meets the conditions provided in Subsections (2) and (3).

133 [~~(1)~~] (2) A vehicle, vessel, or outboard motor [~~is abandoned and inoperable~~] shall be issued  
134 a junk permit when:

135 (a) the vehicle, vessel, or outboard motor has been inspected by an authorized investigator  
136 or agent appointed by the commission; and

137 (b) the authorized investigator or agent has made a written determination that the vehicle,  
138 vessel, or outboard motor cannot be rebuilt or reconstructed in a manner that allows its use as  
139 designed by the manufacturer.

140 (3) (a) A vehicle, vessel, or outboard motor shall be issued a junk permit if ~~it~~ <sup>it</sup> [~~is based upon~~  
141 information provided by the insurer,] <sup>it</sup> the division determines that it cannot be registered as  
142 provided under Section 41-1a-1013.

142a <sup>it</sup> IN MAKING ITS DETERMINATION, THE DIVISION MAY CONSIDER AN INSURER'S ESTIMATE  
142b OF DAMAGES. <sup>it</sup>

143 (b) If a vehicle, vessel, or outboard motor is issued a junk permit under Subsection (3)(a),  
144 the division shall revoke the certificate of title as provided under Section 41-1a-110.

145 [~~(2)~~] (4) (a) Before issuing a [~~written determination~~] junk permit under Subsection [~~(1)~~]  
146 (2), a signed statement is required from the purchaser of the vehicle, vessel, or outboard motor for  
147 salvage, identifying the vehicle, vessel, or outboard motor by identification number and certifying  
148 that the [~~inoperable~~] junk vehicle, vessel, or outboard motor will not be registered, rebuilt,  
149 reconstructed, or in any manner allowed to operate as designed by the manufacturer.

150 (b) The operator of the junk or salvage yard disposing of ~~[an inoperable]~~ a junk vehicle,  
 151 vessel, or outboard motor is required to keep copies of the junk permits, signed statements, and  
 152 other written records required by the commission.

153 ~~[(3)] (5)~~ Upon ~~[a determination that a vehicle, vessel, or outboard motor is inoperable and~~  
 154 ~~cannot be rebuilt or reconstructed]~~ being issued a junk permit, the vehicle, vessel, or outboard  
 155 motor may be converted to scrap or otherwise disposed of without necessity of compliance with  
 156 the requirements of Sections 41-1a-1010 and 41-1a-1011.

157 (6) If a junk permit is issued under h [this section] SUBSECTION (3) h, the vehicle, vessel,  
 157a or outboard motor shall  
 158 be destroyed, converted to scrap, or used for parts and may not be rebuilt or reconstructed and may  
 159 not be registered.

160 (7) The commission may collect a fee established in accordance with Section 63-38-3.2  
 161 to cover the expenses of issuing a junk permit under this section.

162 (8) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
 163 division shall make rules to implement Subsection (3) by establishing h [:

164 ~~— (a) the information an insurer shall provide to the division; and~~

165 ~~— (b) h~~ procedures for an insurer to provide the h [required information] INSURER'S  
 165a ESTIMATE OF DAMAGES h .

166 Section 4. Section **41-1a-1013** is enacted to read:

167 **41-1a-1013. Salvage vehicles -- Damage exceeding limits -- Registration prohibited.**

168 (1) Except as provided in Subsections (2)(a) and (b), a salvage vehicle that is damaged by  
 169 collision h [;] OR h flood to the extent that the cost of repairing the vehicle for safe operation  
 169a exceeds 100%  
 170 of its fair market value, may not be registered for use on the highway.

171 (2) Subsection (1) does not apply to a salvage vehicle that is:

172 (a) seven years or older, based upon its model year; or

173 (b) retained by its owner as part of an insurance settlement.

174 Section 5. **Effective date.**

175 This act takes effect on October 1, 2001.