

**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 that is considered junk if the division receives the information from an insurer that is required  
54 under Section 41-1a-1009.

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

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

## 57 -- Repair.

58 (1) To obtain an unbranded title to a salvage vehicle:

59 (a) the vehicle must:

60 (i) be a motor vehicle;

61 (ii) (A) have an unbranded Utah title or a Utah salvage certificate issued to replace an  
62 unbranded Utah title at the time the motor vehicle is inspected under Subsection (1)(a)(iii); or

63 (B) have an unbranded title from another jurisdiction and the motor vehicle shall have  
64 been damaged in Utah as evidenced by an accident report;

65 (iii) be inspected by a certified vehicle inspector prior to any repairs on the motor vehicle  
66 following any major damage; and

67 (iv) have major damage in no more than one major component part;

68 (b) the major damage identified by a certified vehicle inspector under Subsection (1)(a)  
69 must be repaired in accordance with standards established by the Motor Vehicle Enforcement  
70 Division;

71 (c) any interim inspection required by a certified vehicle inspector must be completed in  
72 accordance with the directions of the initial certified vehicle inspector and to the satisfaction of  
73 the interim certified vehicle inspector; and

74 (d) the owner must apply to the Motor Vehicle Enforcement Division for authorization to  
75 obtain an unbranded title under Section 41-1a-1003.

76 (2) A flood damaged motor vehicle does not qualify for an unbranded title.

77 (3) A salvage vehicle [~~that is seven years old or older at the time of application for~~  
78 ~~unbranding~~] does not qualify for an unbranded title[-] if the vehicle is:

79 (a) seven years old or older at the time of application for unbranding based on model year;

80 or

81 (b) damaged by collision, flood, or other occurrence to the extent that the cost of repairing  
82 the vehicle for safe operation exceeds its fair market value.

83 (4) The prerepair motor vehicle inspection required under Subsection (1) shall include  
84 examination of the motor vehicle and its major component parts to determine:

85 (a) the extent and location of the major damage to the motor vehicle;

86 (b) that the identification numbers of the vehicle or its parts have not been removed,  
87 falsified, altered, defaced, or destroyed; and

88 (c) there are no indications that the vehicle or any of its parts are stolen.

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

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

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

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

96 (A) date of the inspection;

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

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

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

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

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

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

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

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

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

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

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

- 119 (a) record on the vehicle damage disclosure statement:  
120 (i) a description of the repairs made to the motor vehicle including how they were made;  
121 and  
122 (ii) his signature following the repair description with an attestation that the description  
123 is accurate;
- 124 (b) obtain the signature of the certified vehicle inspector who performs an interim  
125 inspection, attesting that the repairs identified for interim inspection were satisfactorily completed;
- 126 (c) file the original vehicle damage disclosure statement containing the repair information  
127 with the Motor Vehicle Enforcement Division; and
- 128 (d) give a copy of the vehicle damage disclosure statement to the owner.

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

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

132 (1) (a) The division shall issue a junk permit for a vehicle, vessel, or outboard motor that  
133 is considered junk as provided under this section.

134 ~~[(+)]~~ (b) A vehicle, vessel, or outboard motor is ~~[abandoned and inoperable]~~ considered  
135 junk when:

136 ~~[(a)]~~ (i) the vehicle, vessel, or outboard motor has been inspected by an authorized  
137 investigator or agent appointed by the commission; and

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

141 (c) (i) A vehicle, vessel, or outboard motor is considered junk if the insurer determines that  
142 it cannot be registered as provided under Section 41-1a-1013.

143 (ii) If a vehicle, vessel, or outboard motor is considered junk under this Subsection (1)(c),  
144 the division shall revoke the certificate of title as provided under Section 41-1a-110.

145 (2) (a) Before issuing a ~~[written determination]~~ junk permit under Subsection (1)(b), a  
146 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) Upon a determination that a vehicle, vessel, or outboard motor is ~~[inoperable and~~  
154 ~~cannot be rebuilt or reconstructed]~~ considered junk under this section, the vehicle, vessel, or  
155 outboard motor may be converted to scrap or otherwise disposed of without necessity of  
156 compliance with the requirements of Sections 41-1a-1010 and 41-1a-1011.

157 (4) If a junk permit is issued under this section, the vehicle, vessel, 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 (5) 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 (6) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
163 division shall make rules establishing procedures for insurance companies to provide the  
164 information necessary to implement Subsection (1)(c).

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

166 **41-1a-1013. Salvage vehicles -- Damage exceeding limits -- Registration prohibited.**

167 A salvage vehicle that is damaged by collision, flood, or other occurrence, to the extent that  
168 the cost of repairing the vehicle for safe operation on a highway exceeds its fair market value, may  
169 not be registered for use on the highway.

170 Section 5. **Effective date.**

171 This act takes effect on October 1, 2001.