

HB228 Substitute 2: Vehicles Sales Amendments

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Background

When a vehicle is totaled, badly damaged, or salvaged and rebuilt, the damage is supposed to follow the car through the title brand so future buyers know the history of the vehicle. However, vehicles often move across state lines, and states don't always share or check the same records.

This means that it is possible for a car to come to Utah with a "clean" title even though it was damaged in another state. This is called title-washing. In these situations, buyers don't find out until it is too late that their vehicle has been damaged.

What does HB228 do?

- Clearly defines different title brands that include:
 - Flood Damage
 - Hail Damage
 - Fire Damage
 - Stolen and Recovered
 - Gray Market
 - Rebuilt and Restored
- Before issuing a new title, the Motor Vehicle Division must check the National Motor Vehicle Title Information System (NMVTIS) and apply a branded title if the vehicle was salvaged, totaled, or damaged in another state.
- Requires the Motor Vehicle Divisions to indicate on the title "odometer discrepancy" if the motor vehicle has a history of odometer discrepancy
- Allows a vehicle with a damaged brand to receive a "rebuilt and restored" brand if it has been rebuilt to be safely operated on a highway. However, it still requires the title to retain the original damage history.

Why is HB228 Important?

Closes loop-holes that allow title-washing in Utah

By requiring the Motor Vehicle Division to check the national title database before issuing a new title, it prevents vehicles from obtaining a clean title when entering Utah.

Protects Everyday Buyers

By ensuring that any damage history to a vehicle is disclosed on the title, this bill prevents buyers from purchasing vehicles with serious damage. It improves both safety and transparency in the car market.

Clarifies rebuilding rules

This bill clarifies that a damaged vehicle can be branded "rebuilt or restored," but ensures the original damage remains on the title after repairs.