

SALVAGE VEHICLE AMENDMENTS

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Carlene M. Walker

House Sponsor: Eric K. Hutchings

LONG TITLE

General Description:

This bill modifies the Motor Vehicle Act by amending provisions relating to salvage vehicles.

Highlighted Provisions:

This bill:

- ▶ requires the Motor Vehicle Division to issue an insurance company a salvage certificate no sooner than 30 days from the date of settlement if the insurance company:
 - declares a vehicle a salvage vehicle;
 - pays off the owner of the vehicle;
 - has contacted the owner of the vehicle at least two times requesting certificate of title or other evidence of ownership and the owner of the vehicle has not responded; and
 - provides certain evidence to the Motor Vehicle Division;
- ▶ requires the Motor Vehicle Division to issue an insurance company a salvage certificate no sooner than 30 days from receipt of an improperly endorsed certificate of title if the insurance company:
 - declares a vehicle a salvage vehicle;
 - has contacted the owner of the vehicle at least two times requesting correction of the improperly endorsed certificate of title and the owner of the vehicle has



28 not responded; and

- 29 • provides certain evidence to the Motor Vehicle Division;
- 30 ▶ grants the Motor Vehicle Division rulemaking authority to establish the
- 31 requirements for an insurance company to receive a salvage certificate in certain
- 32 circumstances; and
- 33 ▶ makes technical changes.

34 **Monies Appropriated in this Bill:**

35 None

36 **Other Special Clauses:**

37 None

38 **Utah Code Sections Affected:**

39 AMENDS:

40 **41-1a-1005**, as last amended by Laws of Utah 1992, Chapter 234 and renumbered and
41 amended by Laws of Utah 1992, Chapter 1



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

44 Section 1. Section **41-1a-1005** is amended to read:

45 **41-1a-1005. Salvage vehicle -- Declaration by insurance company -- Surrender of**
46 **title -- Salvage certificate of title.**

47 (1) (a) (i) ~~[H]~~ Except as provided in Subsection (1)(a)(iii) or (iv), if an insurance
48 company declares a vehicle a salvage vehicle and takes possession of the vehicle for disposal,
49 or an insurance company pays off the owner of a vehicle that is stolen and not recovered, the
50 insurance company shall within ten days from the settlement of the loss surrender to the
51 division the outstanding certificate of title, properly endorsed, or other evidence of ownership
52 acceptable to the division.

53 (ii) The division shall then issue a salvage certificate in the insurance company's name.

54 (iii) The division shall issue a salvage certificate in an insurance company's name no
55 sooner than 30 days from the settlement of the loss if the insurance company:

- 56 (A) declares a vehicle a salvage vehicle;
- 57 (B) pays off the owner of the vehicle;
- 58 (C) has contacted the owner of the vehicle at least two times requesting certificate of

59 title or other evidence of ownership acceptable to the division and the owner has not responded
60 to the requests; and

61 (D) has presented the division evidence of the settlement and evidence that the
62 insurance company has complied with the requirements of this Subsection (1)(a)(iii) on a form
63 prescribed by the division.

64 (iv) The division shall issue a salvage certificate in an insurance company's name no
65 sooner than 30 days from the receipt of an improperly endorsed certificate of title if the
66 insurance company:

67 (A) declares a vehicle a salvage vehicle;

68 (B) has contacted the owner of the vehicle at least two times requesting correction of
69 the improperly endorsed certificate of title and the owner of the vehicle has not responded to
70 the requests; and

71 (C) has presented the division evidence of the settlement, the improperly endorsed
72 certificate of title, and evidence that the insurance company has complied with the
73 requirements of this Subsection (1)(a)(iv) on a form prescribed by the division.

74 (v) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
75 division shall make rules establishing the requirements for an insurance company to prove that
76 it has complied with the requirements of Subsection (1)(a)(iii) or (iv) to receive a salvage
77 certificate.

78 (b) (i) If the owner of a salvage vehicle retains possession of the vehicle, the insurance
79 company shall within ten days from the settlement of the loss notify the division of the
80 retention on a form prescribed by the division.

81 (ii) The insurance company shall notify the owner of the vehicle of his responsibility to
82 comply with this section.

83 (iii) The owner shall within ten days from the settlement of the loss surrender to the
84 division the properly endorsed certificate of title or other evidence of ownership acceptable to
85 the division.

86 (iv) The division shall then issue a salvage certificate in the owner's name.

87 (c) (i) When a salvage vehicle is not the subject of an insurance settlement, a
88 self-insurer or an owner who is uninsured shall within ten days of the theft or major damage
89 surrender to the division the properly endorsed certificate of title or other evidence of

90 ownership acceptable to the division.

91 (ii) The division shall then issue a salvage certificate in the owner's name.

92 (d) (i) If a dealer licensed under Title 41, Chapter 3, Part 2, Licensing, takes possession
93 of any salvage vehicle for which there is not already issued a branded title or salvage certificate
94 from the division or another jurisdiction, the dealer shall within ten days surrender to the
95 division the certificate of title or other evidence of ownership acceptable to the division.

96 (ii) The division shall then issue a salvage certificate in the applicant's name.

97 (2) Any person, insurance company, or dealer licensed under Title 41, Chapter 3, Part
98 2, Licensing, who fails to obtain a salvage certificate as required in this section or who sells a
99 salvage vehicle without first obtaining a salvage certificate is guilty of a class B misdemeanor.

100 (3) This section does not apply to a vehicle:

101 (a) that has an undamaged, wholesale value of \$2,000 or less; or

102 (b) if a salvage certificate has been issued by another state or jurisdiction for the
103 salvage vehicle.

104 (4) Upon sale or disposal of a salvage vehicle, the seller shall deliver to the purchaser
105 the properly endorsed salvage certificate within 48 hours as required in Section 41-1a-1310, or
106 if the seller is a dealer licensed under Title 41, Chapter 3, Part 2, Licensing, the dealer shall
107 comply with Section 41-3-301.

108 (5) Except as provided in Subsection (1), this chapter does not apply to a motor vehicle
109 that has been stolen or taken without the consent of the owner until the motor vehicle has been
110 recovered, and then it applies only if the motor vehicle is a salvage vehicle.

Legislative Review Note
as of 1-29-08 1:26 PM

Office of Legislative Research and General Counsel

S.B. 179 - Salvage Vehicle Amendments

Fiscal Note

2008 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Insurance companies may experience an increased workload. Individuals may experience a longer wait time when dealing with a salvaged vehicle. Localities are likely unaffected.
