

Senator Curtis S. Bramble proposes the following substitute bill:

SALVAGE VEHICLE PURCHASER AMENDMENTS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Curtis S. Bramble

House Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions related to a salvage vehicle transaction.

Highlighted Provisions:

This bill:

- ▶ provides for the creation of a statewide database administered by the Utah Motor Vehicle Enforcement Division to report and track the sale of salvage vehicles;
- ▶ amends provisions related to purchase of a salvage vehicle by an unlicensed buyer;
- ▶ requires certain salvage vehicle purchasers to obtain an unlicensed salvage vehicle purchaser certificate;
- ▶ authorizes the division to collect a fee for administration of the unlicensed salvage vehicle purchaser certificate; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:



26 [41-3-201](#), as last amended by Laws of Utah 2013, Chapter 463

27 [41-3-601](#), as last amended by Laws of Utah 2015, Chapter 93

28

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

30 Section 1. Section **41-3-201** is amended to read:

31 **41-3-201. Licenses required -- Restitution -- Education.**

32 (1) As used in this section[, "new"]:

33 (a) "New applicant" means a person who is applying for a license that the person has
34 not been issued during the previous licensing year.

35 (b) "Unlicensed salvage vehicle purchaser certificate" means a certificate issued by the
36 division to an applicant who:

37 (i) is not a licensed salvage vehicle buyer; and

38 (ii) does not purchase more than five salvage vehicles in the state in a 12-month period.

39 (2) A person may not act as any of the following without having procured a license
40 issued by the administrator:

41 (a) a dealer;

42 (b) salvage vehicle buyer;

43 (c) salesperson;

44 (d) manufacturer;

45 (e) transporter;

46 (f) dismantler;

47 (g) distributor;

48 (h) factory branch and representative;

49 (i) distributor branch and representative;

50 (j) crusher;

51 (k) remanufacturer; or

52 (l) body shop.

53 (3) (a) Except as provided in Subsection (3)(c), a person may not bid on or purchase a
54 vehicle with a nonrepairable or salvage certificate as defined in Section [41-1a-1001](#) at or
55 through a motor vehicle auction unless the person is a licensed salvage vehicle buyer.

56 (b) Except as provided in Subsection (3)(c), a person may not offer for sale, sell, or

57 exchange a vehicle with a nonrepairable or salvage certificate as defined in Section 41-1a-1001
58 at or through a motor vehicle auction except to a licensed salvage vehicle buyer.

59 (c) A person may offer for sale, sell, or exchange a vehicle with a nonrepairable or
60 salvage certificate as defined in Section 41-1a-1001 at or through a motor vehicle auction:

61 (i) to an out-of-state or out-of-country purchaser not licensed under this section, but
62 that is authorized to do business in the domestic or foreign jurisdiction in which the person is
63 domiciled or registered to do business;

64 (ii) subject to the restrictions in Subsection (3)(d), to an in-state purchaser not licensed
65 under this section that has:

66 (A) [~~has~~] a valid business license in Utah; [~~and~~]

67 (B) [~~has~~] a Utah sales tax license; and

68 (C) an unlicensed salvage vehicle purchaser certificate; and

69 (iii) to a crusher.

70 (d) (i) An operator of a motor vehicle auction shall verify that an in-state purchaser not
71 licensed under this section has the licenses required in Subsection (3)(c)(ii).

72 (ii) An operator of a motor vehicle auction may only offer for sale, sell, or exchange
73 five vehicles with a salvage certificate as defined in Section 41-1a-1001 at or through a motor
74 vehicle auction in any [~~12-month~~] 12-month period to an in-state purchaser that does not have a
75 salvage vehicle buyer license issued in accordance with Subsection 41-3-202(15).

76 (iii) The five vehicle limitation under this Subsection (3)(d) applies to each Utah sales
77 tax license and not to each person with the authority to use a sales tax license.

78 (iv) An operator of a motor vehicle auction may not sell a vehicle with a nonrepairable
79 certificate as defined in Section 41-1a-1001 to a purchaser otherwise allowed to purchase a
80 vehicle under Subsection (3)(c)(ii).

81 (e) For a vehicle with a salvage certificate purchased under Subsection (3)(c)(ii), an
82 operator of a motor vehicle auction shall:

83 (i) (A) until Subsection (3)(e)(i)(B) applies, make application for a salvage certificate
84 of title on behalf of the Utah purchaser within seven days of the purchase if the purchaser does
85 not have a salvage vehicle buyer license, dealer license, body shop license, or dismantler
86 license issued in accordance with Section 41-3-202; or

87 (B) beginning on or after the date that the Motor Vehicle Division has implemented the

88 Motor Vehicle Division's GenTax system, make application electronically, in a form and time
89 period approved by the Motor Vehicle Division, for a salvage certificate of title to be issued in
90 the name of the purchaser;

91 (ii) give to the purchaser a disclosure printed on a separate piece of paper that states:
92 "THIS DISCLOSURE STATEMENT MUST BE GIVEN BY THE SELLER TO THE
93 BUYER EVERY TIME THIS VEHICLE IS RESOLD WITH A SALVAGE CERTIFICATE

94 Vehicle Identification Number (VIN)

95 Year: Make: Model:

96 SALVAGE VEHICLE--NOT FOR RESALE WITHOUT DISCLOSURE

97 WARNING: THIS SALVAGE VEHICLE MAY NOT BE SAFE FOR OPERATION
98 UNLESS PROPERLY REPAIRED. SOME STATES MAY REQUIRE AN INSPECTION
99 BEFORE THIS VEHICLE MAY BE REGISTERED. THE STATE OF UTAH MAY
100 REQUIRE THIS VEHICLE TO BE PERMANENTLY BRANDED AS A REBUILT
101 SALVAGE VEHICLE. OTHER STATES MAY ALSO PERMANENTLY BRAND THE
102 CERTIFICATE OF TITLE.

103 _____
104 Signature of Purchaser Date"; and

105 (iii) if applicable, provide evidence to the Motor Vehicle Division of:

106 (A) payment of sales taxes on taxable sales in accordance with Section 41-1a-510;

107 (B) the identification number inspection required under Section 41-1a-511; and

108 (C) the odometer disclosure statement required under Section 41-1a-902.

109 (f) The Motor Vehicle Division shall include a link to the disclosure statement
110 described in Subsection (3)(e)(ii) on its website.

111 (g) The commission may impose an administrative entrance fee established in
112 accordance with the procedures and requirements of Section 63J-1-504 not to exceed \$10 on a
113 person not holding a license described in Subsection (3)(e)(i) [~~that~~] who enters the physical
114 premises of a motor vehicle auction for the purpose of viewing available salvage vehicles prior
115 to an auction.

116 (h) A vehicle sold at or through a motor vehicle auction to an out-of-state purchaser
117 with a nonrepairable or salvage certificate may not be certificated in Utah until the vehicle has
118 been certificated out-of-state.

119 (4) (a) An operator of a motor vehicle auction shall keep a record of the sale of each
120 salvage vehicle.

121 (b) A record described under Subsection (4)(a) shall contain:

122 (i) the purchaser's name and address; ~~[and]~~

123 (ii) the year, make, model, and vehicle identification number for each salvage vehicle
124 sold~~[-]; and~~

125 (iii) if the salvage vehicle was sold to an in-state purchaser under Subsection (3)(c)(ii):

126 (A) the purchaser's unlicensed salvage vehicle purchaser certificate number; and

127 (B) the purchaser's Utah sales tax license number.

128 (c) An operator of a motor vehicle auction shall:

129 (i) provide the record described in Subsection (4)(a) electronically in a method
130 approved by the division to the division within two business days of the completion of the
131 motor vehicle auction;

132 (ii) retain the record described in this Subsection (4) for five years from the date of
133 sale; and

134 (iii) make a record described in this Subsection (4) available for inspection by the
135 division at the location of the motor vehicle auction during normal business hours.

136 ~~[(5) (a) If applicable, an operator of a motor vehicle auction shall comply with the~~
137 ~~reporting requirements of the National Motor Vehicle Title Information System overseen by~~
138 ~~the United States Department of Justice if the person sells a vehicle with a salvage certificate to~~
139 ~~an in-state purchaser under Subsection (3)(c)(ii).]~~

140 (5) (a) The division shall:

141 (i) develop and maintain a state salvage vehicle sales database to be used for the
142 collection and storage of the data received by the division under this section; and

143 (ii) use the state salvage vehicle sales database to maintain an accurate record of all
144 reported statewide salvage vehicle transactions, as described in Subsection (4).

145 (b) The division may contract with an entity approved by the National Motor Vehicle
146 Title Information System as a third party data consolidator to assist in the development of the
147 state salvage vehicle sales database described in Subsection (5)(a).

148 ~~[(b)]~~ (c) The Motor Vehicle Division shall include a link to the National Motor Vehicle
149 Title Information System on its website.

150 (6) ~~(a)~~ An operator of a motor vehicle auction that sells a salvage vehicle to a person
151 that is an out-of-country buyer shall:

152 ~~(i)~~ (a) stamp on the face of the title so as not to obscure the name, date, or mileage
153 statement the words "FOR EXPORT ONLY" in all capital, black letters at least two inches
154 wide and clearly legible; and

155 ~~(ii)~~ (b) stamp in each unused reassignment space on the back of the title the words
156 "FOR EXPORT ONLY[:]" in all capital, black letters at least two inches wide and clearly
157 legible.

158 ~~(b) The words "FOR EXPORT ONLY" shall be:~~

159 ~~(i) at least two inches wide; and]~~

160 ~~(ii) clearly legible.]~~

161 (7) A ~~supplemental license shall be secured by a~~ dealer, manufacturer,
162 remanufacturer, transporter, dismantler, crusher, or body shop shall obtain a supplemental
163 license for each additional place of business maintained by the licensee.

164 (8) (a) ~~A~~ The division may not allow a person who has been convicted of violating
165 any law relating to motor vehicle commerce or motor vehicle fraud ~~may not~~ to be issued a
166 license or purchase a vehicle with a salvage or nonrepairable certificate unless the person has
167 made full restitution regarding those convictions ~~has been made~~.

168 (b) An operator of a motor vehicle auction, a dealer, or a consignor may not sell a
169 vehicle with a nonrepairable or salvage certificate to a buyer described in Subsection (8)(a) if
170 the division has informed the operator of the motor vehicle auction, the dealer, or the consignor
171 in writing that the buyer is prohibited from purchasing a vehicle with a nonrepairable or
172 salvage certificate under Subsection (8)(a).

173 (9) (a) The division may not issue a license to a new applicant for a new or used motor
174 vehicle dealer license, a new or used motorcycle dealer license, or a small trailer dealer license
175 unless the new applicant completes an eight-hour orientation class approved by the division
176 that includes education on motor vehicle laws and rules.

177 (b) The new applicant shall pay the approved costs of the orientation class ~~shall be~~
178 ~~paid by the new applicant~~.

179 (c) The ~~class shall be completed by the~~ new applicant and the applicant's partners,
180 corporate officers, bond indemnitors, and managers shall complete the class.

- 181 (d) (i) The division shall approve:
- 182 (A) providers of the orientation class; and
- 183 (B) costs of the orientation class.
- 184 (ii) A provider of an orientation class shall submit the orientation class curriculum to
- 185 the division for approval [~~prior to~~] before teaching the orientation class.
- 186 (iii) A provider of an orientation class shall include in the orientation materials:
- 187 (A) ethics training;
- 188 (B) motor vehicle title and registration processes;
- 189 (C) provisions of Title 13, Chapter 5, Unfair Practices Act, relating to motor vehicles;
- 190 (D) Department of Insurance requirements relating to motor vehicles;
- 191 (E) Department of Public Safety requirements relating to motor vehicles;
- 192 (F) federal requirements related to motor vehicles as determined by the division; and
- 193 (G) any required disclosure compliance forms as determined by the division.
- 194 (10) (a) A person or purchaser described in Subsection (3)(c)(ii) may not:
- 195 [~~(a) may not~~] (i) purchase more than five salvage vehicles with a nonrepairable or
- 196 salvage certificate as defined in Section [41-1a-1001](#) in any 12-month period;
- 197 [~~(b) may not~~,] (ii) without first complying with Section [41-1a-705](#), offer for sale, sell,
- 198 or exchange more than two vehicles with a salvage certificate as defined in Section [41-1a-1001](#)
- 199 in any 12-month period to a person not licensed under this section; [~~and~~] or
- 200 [~~(c) may not~~,] (iii) without first complying with Section [41-1a-705](#), offer for sale, sell,
- 201 or exchange a vehicle with a nonrepairable certificate as defined in Section [41-1a-1001](#) to a
- 202 person not licensed under this section.
- 203 (b) To obtain or renew an unlicensed salvage vehicle purchaser certificate, a person or
- 204 purchaser shall:
- 205 (i) submit to the division an application on a form designated by the division;
- 206 (ii) provide to the division a valid Utah sales tax license;
- 207 (iii) provide to the division a valid Utah driver license, a valid Utah driver privilege
- 208 card, or a valid Utah identification card; and
- 209 (iv) pay the fee described in Section [41-3-601](#).
- 210 (c) A person or purchaser described in Subsection (3)(c)(ii) may only provide one Utah
- 211 sales tax license when obtaining an unlicensed salvage vehicle purchaser certificate under

212 Subsection (10)(b).

213 (d) An unlicensed salvage vehicle purchaser certificate expires each year on June 30.

214 (e) The division may suspend or revoke an unlicensed salvage vehicle purchaser
215 certificate for failure to comply with this section or misuse of the certificate.

216 (11) An operator of a motor vehicle auction, a dealer, or a consignor may not sell a
217 vehicle with a nonrepairable or salvage certificate to a buyer described in Subsection (10)(a) if
218 the division has informed the operator of the motor vehicle auction, the dealer, or the consignor
219 in writing that the buyer is prohibited from purchasing a vehicle with a nonrepairable or
220 salvage certificate under Subsection (10)(a).

221 Section 2. Section **41-3-601** is amended to read:

222 **41-3-601. Fees.**

223 (1) The administrator shall collect fees determined by the commission under Section
224 [63J-1-504](#) for each of the following:

- 225 (a) new motor vehicle dealer's license;
- 226 (b) used motor vehicle dealer's license;
- 227 (c) new motorcycle, off-highway vehicle, and small trailer dealer;
- 228 (d) used motorcycle, off-highway vehicle, and small trailer dealer;
- 229 (e) motor vehicle salesperson's license;
- 230 (f) motor vehicle salesperson's transfer or reissue fee;
- 231 (g) motor vehicle manufacturer's license;
- 232 (h) motor vehicle transporter's license;
- 233 (i) motor vehicle dismantler's license;
- 234 (j) motor vehicle crusher's license;
- 235 (k) motor vehicle remanufacturer's license;
- 236 (l) body shop's license;
- 237 (m) distributor or factory branch and distributor branch's license;
- 238 (n) representative's license;
- 239 (o) dealer plates;
- 240 (p) dismantler plates;
- 241 (q) manufacturer plates;
- 242 (r) transporter plates;

- 243 (s) damaged plate replacement;
- 244 (t) in-transit permits;
- 245 (u) loaded demonstration permits;
- 246 (v) additional place of business;
- 247 (w) special equipment dealer's license;
- 248 (x) temporary permits; [~~and~~]
- 249 (y) temporary sports event registration certificates[~~;~~]; and
- 250 (z) unlicensed salvage vehicle purchaser certificates.

251 (2) (a) To pay for training certified vehicle inspectors and enforcement under Sections
252 41-1a-1001 through 41-1a-1008, the State Tax Commission shall establish and the
253 administrator shall collect inspection fees determined by the commission under Section
254 63J-1-504.

255 (b) The division shall use fees collected under Subsection (2)(a) as dedicated credits to
256 be used toward the costs of the division.

257 (3) (a) At the time of application, the administrator shall collect a fee of \$200 for each
258 salvage vehicle buyer license.

259 (b) The administrator may retain a portion of the fee under Subsection (3)(a) to offset
260 the administrator's actual costs of administering and enforcing salvage vehicle buyer licenses.

261 (4) A fee imposed under Subsection (1)(x) or (y):

262 (a) shall be deposited into the Motor Vehicle Enforcement Division Temporary Permit
263 Restricted Account created by Section 41-3-110; and

264 (b) is not subject to Subsection 63J-2-202(2).

265 (5) The division shall use fees collected under Subsection (1)(z) to offset the costs of
266 administration of the certificate and the database described in Subsection 41-3-201(5).

267 Section 3. **Effective date.**

268 This bill takes effect on January 1, 2017.