

SB0174S01 compared with SB0174

~~{deleted text}~~ shows text that was in SB0174 but was deleted in SB0174S01.

inserted text shows text that was not in SB0174 but was inserted into SB0174S01.

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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 ~~{charge a \$2 surcharge on every vehicle with a nonrepairable or salvage certificate sold at, or through, a motor vehicle auction}~~ collect a fee for administration of the unlicensed salvage vehicle purchaser

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certificate; and

- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

~~{None}~~ This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

41-3-201, as last amended by Laws of Utah 2013, Chapter 463

41-3-601, as last amended by Laws of Utah 2015, Chapter 93

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

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

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

(1) As used in this section~~[-"new"]~~:

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

(b) "Unlicensed salvage vehicle purchaser ~~{identification number}~~certificate" means ~~{an identification number}~~a certificate issued by the division to an applicant who:

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

(ii) ~~{may}~~does not purchase ~~{up to}~~more than five salvage vehicles in the state in a 12-month period.

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

- (a) a dealer;
- (b) salvage vehicle buyer;
- (c) salesperson;
- (d) manufacturer;
- (e) transporter;
- (f) dismantler;
- (g) distributor;

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- (h) factory branch and representative;
- (i) distributor branch and representative;
- (j) crusher;
- (k) remanufacturer; or
- (l) body shop.

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

(b) Except as provided in Subsection (3)(c), a person may not offer for sale, sell, or exchange a vehicle with a nonrepairable or salvage certificate as defined in Section 41-1a-1001 at or through a motor vehicle auction except to a licensed salvage vehicle buyer.

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

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

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

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

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

(C) an unlicensed salvage vehicle purchaser ~~identification number~~ ~~certificate~~; and

(iii) to a crusher.

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

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

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

(iv) An operator of a motor vehicle auction may not sell a vehicle with a nonrepairable

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certificate as defined in Section 41-1a-1001 to a purchaser otherwise allowed to purchase a vehicle under Subsection (3)(c)(ii).

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

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

(B) beginning on or after the date that the Motor Vehicle Division has implemented the Motor Vehicle Division's GenTax system, make application electronically, in a form and time period approved by the Motor Vehicle Division, for a salvage certificate of title to be issued in the name of the purchaser;

(ii) give to the purchaser a disclosure printed on a separate piece of paper that states:

"THIS DISCLOSURE STATEMENT MUST BE GIVEN BY THE SELLER TO THE BUYER EVERY TIME THIS VEHICLE IS RESOLD WITH A SALVAGE CERTIFICATE

Vehicle Identification Number (VIN)

Year: Make: Model:

SALVAGE VEHICLE--NOT FOR RESALE WITHOUT DISCLOSURE

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

Signature of Purchaser

Date"; and

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

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

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

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

(f) The Motor Vehicle Division shall include a link to the disclosure statement

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described in Subsection (3)(e)(ii) on its website.

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

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

~~{ (i) The division may impose a surcharge of up to \$2 on each vehicle with a nonrepairable or salvage certificate sold at or through a motor vehicle auction.~~

~~— (j) The division shall deposit fees collected under Subsection (3)(i) into the General Fund as a dedicated credit to be used by the division to cover the costs of the development, implementation, and administration of the state salvage vehicle sales database described in Subsection (5).~~

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

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

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

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

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

(A) the purchaser's unlicensed salvage vehicle purchaser ~~{identification}~~ certificate number; and

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

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

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

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

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

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

(5) (a) The division shall:

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

(ii) use the state salvage vehicle sales database to maintain an accurate record of all reported statewide salvage vehicle transactions, as described in Subsection (4) ~~}; and~~;

~~{ (iii) transmit the record of a salvage vehicle sale maintained in the state salvage vehicle sales database to the National Motor Vehicle Title Information System;~~

~~};~~ (b) The division may contract with an entity approved by the National Motor Vehicle Title Information System as a third party data consolidator to ~~};~~

~~(i) }~~ assist in the development of the state salvage vehicle sales database described in Subsection (5)(a) ~~}; and~~

~~(ii) transmit the sale of a salvage vehicle report to the National Motor Vehicle Title Information System as described in Subsection (5)(a)(iii) ~~};~~.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) (i) The division shall approve:

(A) providers of the orientation class; and

(B) costs of the orientation class.

(ii) A provider of an orientation class shall submit the orientation class curriculum to the division for approval ~~[prior to]~~ before teaching the orientation class.

(iii) A provider of an orientation class shall include in the orientation materials:

(A) ethics training;

(B) motor vehicle title and registration processes;

(C) provisions of Title 13, Chapter 5, Unfair Practices Act, relating to motor vehicles;

(D) Department of Insurance requirements relating to motor vehicles;

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- (E) Department of Public Safety requirements relating to motor vehicles;
- (F) federal requirements related to motor vehicles as determined by the division; and
- (G) any required disclosure compliance forms as determined by the division.

(10) (a) A person or purchaser described in Subsection (3)(c)(ii) may not:

~~[(a) may not]~~ (i) purchase more than five salvage vehicles with a nonrepairable or salvage certificate as defined in Section 41-1a-1001 in any 12-month period;

~~[(b) may not]~~ (ii) without first complying with Section 41-1a-705, offer for sale, sell, or exchange more than two vehicles with a salvage certificate as defined in Section 41-1a-1001 in any 12-month period to a person not licensed under this section; ~~[and]~~ or

~~[(c) may not]~~ (iii) without first complying with Section 41-1a-705, offer for sale, sell, or exchange a vehicle with a nonrepairable certificate as defined in Section 41-1a-1001 to a person not licensed under this section.

(b) ~~{A person or purchaser described in Subsection (3)(c)(ii) shall}~~ To obtain or renew an unlicensed salvage vehicle purchaser ~~{identification number by providing the division with}~~ certificate, a person or purchaser shall:

(i) submit to the division an application on a form designated by the division;

(ii) provide to the division a valid Utah sales tax license ~~{and either}~~;

(iii) provide to the division a valid Utah driver license ~~{or}~~, a valid Utah ~~{driving}~~ driver privilege card, or a valid Utah identification card; and

(iv) pay the fee described in Section 41-3-601.

(c) A person or purchaser described in Subsection (3)(c)(ii) may only provide one Utah sales tax license when obtaining an unlicensed salvage vehicle purchaser ~~{identification number as described in}~~ certificate under Subsection (10)(b).

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

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

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

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Legislative Review Note

~~Office of Legislative Research and General Counsel~~

Section 2. Section 41-3-601 is

amended to read:

41-3-601. Fees.

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

- (a) new motor vehicle dealer's license;
- (b) used motor vehicle dealer's license;
- (c) new motorcycle, off-highway vehicle, and small trailer dealer;
- (d) used motorcycle, off-highway vehicle, and small trailer dealer;
- (e) motor vehicle salesperson's license;
- (f) motor vehicle salesperson's transfer or reissue fee;
- (g) motor vehicle manufacturer's license;
- (h) motor vehicle transporter's license;
- (i) motor vehicle dismantler's license;
- (j) motor vehicle crusher's license;
- (k) motor vehicle remanufacturer's license;
- (l) body shop's license;
- (m) distributor or factory branch and distributor branch's license;
- (n) representative's license;
- (o) dealer plates;
- (p) dismantler plates;
- (q) manufacturer plates;
- (r) transporter plates;
- (s) damaged plate replacement;
- (t) in-transit permits;
- (u) loaded demonstration permits;

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(v) additional place of business;

(w) special equipment dealer's license;

(x) temporary permits; [and]

(y) temporary sports event registration certificates[-]; and

(z) unlicensed salvage vehicle purchaser certificates.

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

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

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

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

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

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

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

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

Section 3. Effective date.

This bill takes effect on January 1, 2017.