
By: **Delegate Hutchins**
Introduced and read first time: February 18, 2002
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws - Salvage Certificates - Garage Owners**

3 FOR the purpose of requiring the Motor Vehicle Administration to issue a salvage
4 certificate to the owner of a commercial garage under certain circumstances;
5 authorizing a garage owner to file a certain application for a salvage certificate
6 and requiring that certain information accompany the application; prohibiting a
7 garage owner from obtaining more than three salvage certificates within a
8 certain period; and generally relating to salvage certificates and owners of
9 commercial garages.

10 BY repealing and reenacting, with amendments,
11 Article - Transportation
12 Section 13-506 and 25-209
13 Annotated Code of Maryland
14 (1999 Replacement Volume and 2001 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
16 MARYLAND, That the Laws of Maryland read as follows:

17 **Article - Transportation**

18 13-506.

19 (a) (1) A salvage certificate shall be issued in accordance with the provisions
20 of this section.

21 (2) A salvage certificate issued under this section shall:

22 (i) Be issued in the name of the applicant; and

23 (ii) Serve as an ownership document.

24 (a-1) For purposes of this section, a vehicle has not been acquired by an
25 insurance company if an owner retains possession of the vehicle upon settlement of a
26 claim concerning the vehicle by the insurance company.

- 1 (b) The Administration shall issue a salvage certificate:
- 2 (1) To an insurance company that:
- 3 (i) Is licensed to insure automobiles in this State;
- 4 (ii) Acquires a vehicle as the result of a claim settlement; and
- 5 (iii) Within 10 days after the date of settlement, applies for a
6 salvage certificate as provided in subsection (c) of this section;
- 7 (2) To an automotive dismantler and recycler that:
- 8 (i) Acquires a salvage vehicle from a source other than an
9 insurance company licensed to insure automobiles in this State;
- 10 (ii) Acquires a salvage vehicle by a means other than a transfer of a
11 salvage certificate; and
- 12 (iii) Applies for a salvage certificate as provided in subsection (d) of
13 this section; or
- 14 (3) To any other person who:
- 15 (i) Acquires or retains ownership of a vehicle that is salvage, as
16 defined in § 11-152 of this article;
- 17 (ii) Applies for a salvage certificate on a form provided by the
18 Administration; and
- 19 (iii) Pays a fee established by the Administration.
- 20 (c) (1) An insurance company shall apply for a salvage certificate on a form
21 provided by the Administration for each vehicle titled in the State that is acquired as
22 a result of a claim settlement arising from an accident that occurred in the State.
- 23 (2) The application under paragraph (1) of this subsection shall be
24 accompanied by:
- 25 (i) The certificate of title of the vehicle;
- 26 (ii) A statement by the insurance company that:
- 27 1. The cost to repair the vehicle for highway operation is
28 greater than the fair market value of the vehicle prior to sustaining the damage for
29 which the claim was paid;
- 30 2. The cost to repair the vehicle for highway operation is
31 equal to or less than the fair market value of the vehicle prior to sustaining the
32 damage for which the claim was paid;

1 (ii) A statement by the insurance company that:

2 1. The cost to repair the vehicle for highway operation is
3 greater than the fair market value of the vehicle prior to sustaining the damage for
4 which the claim was paid; or

5 2. The vehicle is not rebuildable, will be used for parts only,
6 and is not to be retitled.

7 (3) On receipt of the notice under paragraph (1) of this subsection, the
8 Administration shall:

9 (i) Record that the vehicle has been declared salvage; and

10 (ii) 1. In the case of a vehicle described in paragraph (2)(i)1 of
11 this subsection, send a notice to the owner of the vehicle that the vehicle registration
12 will be suspended unless the owner submits proof satisfactory to the Administration
13 that the vehicle has been inspected for safety, in compliance with Title 23 of this
14 article, within 90 days of the date of the notice; or

15 2. In the case of a vehicle described in paragraph (2)(i)2 of
16 this subsection:

17 A. Issue a salvage certificate to the owner of the vehicle; and

18 B. Send a notice to the owner of the vehicle that the vehicle
19 registration has been suspended and directing that the vehicle's registration plates be
20 returned immediately to the Administration.

21 (4) In accordance with § 13-507 of this subtitle, after a vehicle described
22 in paragraph (2)(i)1 of this subsection has been inspected for safety in accordance
23 with Title 23 of this article, the Administration shall send a new title for the vehicle
24 to the owner.

25 [(f)] (G) The Administration shall maintain records to indicate that a vehicle:

26 (1) Was transferred as salvage; and

27 (2) May not be titled or registered for operation in this State except in
28 accordance with § 13-507 of this subtitle.

29 [(g)] (H) The Administration shall establish a fee for a duplicate salvage
30 certificate.

31 25-209.

32 (a) Any person who possesses or on whose property is found an abandoned
33 vehicle and any person who owns a vehicle, for which the certificate of title is
34 defective, lost, or destroyed, may apply to the police department of the jurisdiction in
35 which the vehicle is located for authority to transfer the vehicle to an automotive
36 dismantler and recycler or scrap processor.

1 (b) The application shall include:

2 (1) The name and address of the applicant;

3 (2) The year, make, model, and vehicle identification number of the
4 vehicle, if ascertainable, and any other identifying features of the vehicle;

5 (3) A concise statement of the facts about the abandonment of the vehicle
6 or the loss, destruction, or defect of the certificate of title of the vehicle; and

7 (4) An affidavit stating that the facts alleged in the application are true
8 and that no material fact has been withheld.

9 (c) If a police department finds that the application is executed in proper form
10 and shows either that the vehicle has been abandoned on the property of the
11 applicant or, if the vehicle is not abandoned, that the applicant appears to be the
12 rightful owner, the police department shall follow the notification procedures of §§
13 25-204 and 25-205 of this subtitle.

14 (c-1) If the applicant submits with the application documentary proof that the
15 notification procedures of §§ 25-204 and 25-205 already have been complied with, the
16 police department may accept the document as proof of compliance and the
17 department is not required to provide this notification.

18 (d) (1) If an abandoned vehicle is not reclaimed in the time required by this
19 subtitle, the police department shall give the applicant a certificate of authority to
20 transfer the vehicle to:

21 (i) Any automotive dismantler and recycler for:

22 1. Dismantling, destroying, or scrapping; or

23 2. Salvaging as authorized under § 13-506 of this article; or

24 (ii) Any scrap processor for dismantling, destroying, or scrapping.

25 (2) The automotive dismantler and recycler or scrap processor shall
26 accept the certificate of authority instead of the certificate of title of the vehicle.

27 (3) The automotive dismantler and recycler may apply for a salvage
28 certificate as provided in § 13-506 of this article.

29 (4) (I) NOTWITHSTANDING THE PROVISIONS OF THIS SUBSECTION, A
30 GARAGE OWNER THAT HAS OBTAINED A CERTIFICATE OF TRANSFER UNDER THIS
31 SUBSECTION MAY APPLY TO THE ADMINISTRATION FOR A SALVAGE CERTIFICATE
32 UNDER § 13-506 OF THIS ARTICLE.

33 (II) A GARAGE OWNER MAY NOT OBTAIN MORE THAN THREE
34 SALVAGE CERTIFICATES UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH WITHIN A
35 12-MONTH PERIOD.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2002.