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By: **Delegates Oaks and Malone**  
Introduced and read first time: February 13, 2004  
Assigned to: Environmental Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicles - Certificate of Title - Rebuilt Salvage**

3 FOR the purpose of requiring that a certificate of title to a vehicle contain a  
4 conspicuous notation that the vehicle is "rebuilt salvage" whenever an insurance  
5 company's application for a salvage certificate for the vehicle contains a  
6 statement that the cost to repair the vehicle for highway operation was equal to  
7 or less than the fair market value of the vehicle prior to the vehicle sustaining  
8 damage; and generally relating to salvaged vehicles.

9 BY repealing and reenacting, without amendments,  
10 Article - Transportation  
11 Section 13-506(c)  
12 Annotated Code of Maryland  
13 (2002 Replacement Volume and 2003 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Article - Transportation  
16 Section 13-507  
17 Annotated Code of Maryland  
18 (2002 Replacement Volume and 2003 Supplement)

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

21 **Article - Transportation**

22 13-506.

23 (c) (1) An insurance company shall apply for a salvage certificate on a form  
24 provided by the Administration for each vehicle titled in the State that is acquired as  
25 a result of a claim settlement arising from an accident that occurred in the State.

26 (2) The application under paragraph (1) of this subsection shall be  
27 accompanied by:

- 1 (i) The certificate of title of the vehicle;
- 2 (ii) A statement by the insurance company that:
- 3 1. The cost to repair the vehicle for highway operation is  
4 greater than the fair market value of the vehicle prior to sustaining the damage for  
5 which the claim was paid;
- 6 2. The cost to repair the vehicle for highway operation is  
7 equal to or less than the fair market value of the vehicle prior to sustaining the  
8 damage for which the claim was paid;
- 9 3. The vehicle is not rebuildable, will be used for parts only,  
10 and is not to be retitled; or
- 11 4. The vehicle has been stolen; and
- 12 (iii) A fee established by the Administration.

13 (3) Subject to the provisions of § 13-507(c)(2) of this subtitle, a salvage  
14 certificate issued under this paragraph shall contain a conspicuous notation by the  
15 Administration that describes which of the statements under paragraph (2)(ii) of this  
16 subsection applies to the vehicle.

17 13-507.

18 (a) (1) An application for a certificate of title of a vehicle for which a salvage  
19 certificate has been issued shall be made by the owner of the vehicle on a form that  
20 the Administration requires.

21 (2) An application under paragraph (1) of this subsection shall be  
22 accompanied by:

23 (i) Except as provided in subsection (c)(3) of this section, the  
24 salvage certificate for the vehicle;

25 (ii) A certificate of inspection issued by a county police department  
26 or the Department of State Police; and

27 (iii) A certificate of inspection as required under Title 23 of this  
28 article.

29 (3) (i) The Administration may establish a fee for an inspection under  
30 paragraph (2)(ii) of this subsection.

31 (ii) The fees collected under this paragraph shall be paid to the  
32 Auto Theft Unit of the Department of State Police for the purpose of recovering the  
33 cost of administering the salvage inspection program and may not be credited to the  
34 Gasoline and Motor Vehicle Revenue Account for distribution under § 8-403 or §  
35 8-404 of this article.

1 (b) (1) The certificate of title issued by the Administration shall be:

2 (i) Issued in the name of the applicant; and

3 (ii) In a form as provided in this subsection.

4 (2) The Administration shall issue a certificate of title that contains a  
5 conspicuous notation that the vehicle is "rebuilt salvage" if the salvage certificate  
6 accompanying the application[:

7 (i) Bears] BEARS a notation under § 13-506(c)(2)(ii)1 OR 2 of this  
8 subtitle[; or

9 (ii) Does not bear a notation under § 13-506(c)(2)(ii)2 of this  
10 subtitle].

11 (3) The Administration shall issue a certificate of title that does not  
12 contain a notation under paragraph (2) of this subsection if the salvage certificate  
13 accompanying the application[:

14 (i) Bears a notation under § 13-506(c)(2)(ii)2 of this subtitle;

15 (ii) Is issued before October 1, 1992 and the application is  
16 accompanied by a statement in writing from an insurance company that the cost to  
17 repair the vehicle was equal to or less than the fair market value of the vehicle prior  
18 to the vehicle sustaining damage; or

19 (iii) Is] IS issued for a vehicle that is more than 7 model years old.

20 (c) (1) When an insurance company makes a claim settlement on a vehicle  
21 that has been stolen, the company shall apply for a salvage certificate as provided in  
22 § 13-506(c) of this subtitle.

23 (2) On receipt of an application under this subsection, the  
24 Administration:

25 (i) Shall make the appropriate notation in its records; and

26 (ii) May not issue the salvage certificate until the vehicle is  
27 recovered.

28 (3) When a vehicle that has been stolen is recovered, the Administration  
29 shall:

30 (i) Issue a salvage certificate for the vehicle if the insurance  
31 company submits a certification under § 13-506(c)(2)(ii)1, 2, or 3 of this subtitle; or

32 (ii) Issue a certificate of title in lieu of a salvage certificate if the  
33 insurance company states that the vehicle has not sustained damage or has sustained  
34 only minor damage.

1           (4)       The provisions of subsection (b) of this section apply to a certificate of  
2 title issued under this subsection.

3           (5)       A vehicle for which a certificate of title was issued under paragraph  
4 (3)(ii) of this subsection is exempt from the vehicle excise tax as provided in §  
5 13-810(a)(9) of this article.

6       (d)       If the Administration receives an application for a certificate of title for a  
7 vehicle accompanied by an ownership document issued by another state containing a  
8 notation under the laws of the issuing state that the vehicle is in a condition that is  
9 substantially similar to a vehicle that is rebuilt salvage under Maryland law, the  
10 certificate of title issued by the Administration shall contain a similar notation.

11       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
12 effect October 1, 2004.