

SENATE BILL 162

R4
SB 90/03 – JPR

71r1727

By: **Senators Stone and Della**
Introduced and read first time: January 25, 2007
Assigned to: Judicial Proceedings

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
5 insurance company’s application for a salvage certificate for the vehicle contains
6 a statement that the cost to repair the vehicle for highway operation was equal
7 to or less than the fair market value of the vehicle prior to the vehicle
8 sustaining 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 (2006 Replacement Volume and 2006 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Transportation
16 Section 13–507
17 Annotated Code of Maryland
18 (2006 Replacement Volume and 2006 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**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 13-506.

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

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

8 (i) The certificate of title of the vehicle;

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

10 1. The cost to repair the vehicle for highway operation is
11 greater than the fair market value of the vehicle prior to sustaining the damage for
12 which the claim was paid;

13 2. The cost to repair the vehicle for highway operation is
14 equal to or less than the fair market value of the vehicle prior to sustaining the
15 damage for which the claim was paid;

16 3. The vehicle is not rebuildable, will be used for parts
17 only, and is not to be retitled; or

18 4. The vehicle has been stolen; and

19 (iii) A fee established by the Administration.

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

24 13-507.

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

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

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

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

5 (iii) A certificate of inspection as required under Title 23 of this
6 article.

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

9 (ii) The fees collected under this paragraph shall be paid to the
10 Auto Theft Unit of the Department of State Police for the purpose of recovering the
11 cost of administering the salvage inspection program and may not be credited to the
12 Gasoline and Motor Vehicle Revenue Account for distribution under § 8–403 or §
13 8–404 of this article.

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

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

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

17 (2) The Administration shall issue a certificate of title that contains a
18 conspicuous notation that the vehicle is “rebuilt salvage” if the salvage certificate
19 accompanying the application:

20 (i) Bears a notation under § 13–506(c)(2)(ii)1 **OR 2** of this
21 subtitle; or

22 (ii) [Does not bear a notation under § 13–506(e)(2)(ii)2 of this
23 subtitle] **WAS ISSUED BEFORE OCTOBER 1, 1992, AND THE APPLICATION IS**
24 **ACCOMPANIED BY A STATEMENT IN WRITING FROM THE INSURANCE COMPANY**
25 **THAT THE COST TO REPAIR THE VEHICLE WAS EQUAL TO OR LESS THAN THE**
26 **FAIR MARKET VALUE OF THE VEHICLE PRIOR TO THE VEHICLE SUSTAINING**
27 **DAMAGE.**

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

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

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

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

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

11 (2) On receipt of an application under this subsection, the
12 Administration:

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

14 (ii) May not issue the salvage certificate until the vehicle is
15 recovered.

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

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

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

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

25 (5) A vehicle for which a certificate of title was issued under
26 paragraph (3)(ii) of this subsection is exempt from the vehicle excise tax as provided in
27 § 13–810(a)(9) of this title.

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

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2007.