

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

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 20, 2007

CHAPTER _____

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~~ when an
5 insurance company’s application for a salvage certificate for ~~the vehicle a~~
6 vehicle that is less than a certain number of model years old contains a
7 statement that the cost to repair the vehicle for highway operation was equal to
8 or less than the fair market value of the vehicle prior to the vehicle sustaining
9 damage; and generally relating to salvaged vehicles.

10 BY repealing and reenacting, without amendments,
11 Article – Transportation
12 Section 13–506(c)
13 Annotated Code of Maryland
14 (2006 Replacement Volume and 2006 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Transportation
17 Section 13–507
18 Annotated Code of Maryland
19 (2006 Replacement Volume and 2006 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – Transportation**

4 13–506.

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

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

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

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

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

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

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

21 4. The vehicle has been stolen; and

22 (iii) A fee established by the Administration.

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

27 13–507.

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

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

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

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

10 (iii) A certificate of inspection as required under Title 23 of this
11 article.

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

14 (ii) The fees collected under this paragraph shall be paid to the
15 Auto Theft Unit of the Department of State Police for the purpose of recovering the
16 cost of administering the salvage inspection program and may not be credited to the
17 Gasoline and Motor Vehicle Revenue Account for distribution under § 8-403 or §
18 8-404 of this article.

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

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

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

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

25 (i) Bears a notation under § 13-506(c)(2)(ii)1 ~~OR 2~~ of this
26 subtitle; or

27 (ii) [Does not bear a notation under § 13-506(e)(2)(ii)2 of this
28 subtitle] ~~WAS ISSUED BEFORE OCTOBER 1, 1992, AND THE APPLICATION IS~~
29 ~~ACCOMPANIED BY A STATEMENT IN WRITING FROM THE INSURANCE COMPANY~~
30 ~~THAT THE COST TO REPAIR THE VEHICLE WAS EQUAL TO OR LESS THAN THE~~

~~1 FAIR MARKET VALUE OF THE VEHICLE PRIOR TO THE VEHICLE SUSTAINING~~
~~2 DAMAGE FOR A VEHICLE THAT IS LESS THAN 5 MODEL YEARS OLD, BEARS A~~
~~3 NOTATION UNDER § 13-306(C)(2)(II)2 OF THIS SUBTITLE.~~

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

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

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

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

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

17 (2) On receipt of an application under this subsection, the
18 Administration:

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

20 (ii) May not issue the salvage certificate until the vehicle is
21 recovered.

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

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

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

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

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

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

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.