

# SENATE BILL 487

R4

2lr2665  
CF HB 435

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By: **Senators Raskin and Reilly**

Introduced and read first time: February 2, 2012

Assigned to: Judicial Proceedings

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Committee Report: Favorable

Senate action: Adopted

Read second time: March 13, 2012

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Vehicle Laws – Salvage – Defective, Lost, or Destroyed Certificates of Title**

3 FOR the purpose of authorizing an application for a salvage certificate submitted by  
4 an insurance company to be accompanied by a certain affidavit of ownership  
5 and certain evidence of final payment instead of a certificate of title if the  
6 certificate of title is defective, lost, or destroyed; and generally relating to  
7 required documentation in an application for a salvage certificate.

8 BY repealing and reenacting, with amendments,  
9 Article – Transportation  
10 Section 13–506(c)  
11 Annotated Code of Maryland  
12 (2009 Replacement Volume and 2011 Supplement)

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

15 **Article – Transportation**

16 13–506.

17 (c) (1) For each vehicle that is acquired as a result of a claim settlement  
18 arising from an accident that occurred in the State, an insurance company or its  
19 authorized agent shall apply:

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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 (i) For a salvage certificate on a form provided by the  
2 Administration for a vehicle titled in the State; or

3 (ii) Electronically for a salvage certificate for a vehicle titled in a  
4 foreign jurisdiction.

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

7 (i) The certificate of title of the vehicle **OR, IF THE**  
8 **CERTIFICATE OF TITLE IS DEFECTIVE, LOST, OR DESTROYED, AN AFFIDAVIT OF**  
9 **OWNERSHIP ON A FORM AND IN A MANNER PRESCRIBED BY THE**  
10 **ADMINISTRATION AND A COPY OF THE SETTLEMENT CHECK OR OTHER**  
11 **EVIDENCE OF FINAL PAYMENT;**

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

13 1. The cost to repair the vehicle for highway operation is  
14 greater than 75% of the fair market value of the vehicle prior to sustaining the  
15 damage for which the claim was paid and the vehicle is repairable;

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

18 3. The vehicle has been stolen;

19 4. The vehicle has sustained flood damage; or

20 5. The vehicle has been acquired by an insurance  
21 company as a result of a claim settlement and the cost to repair the vehicle is 75% or  
22 less of the fair market value of the vehicle prior to sustaining the damage for which  
23 the claim was paid; and

24 (iii) A fee established by the Administration.

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

29 (4) To determine the cost to repair a vehicle for highway operation for  
30 purposes of § 11-152 of this article and paragraph (2)(ii) of this subsection, a person  
31 may not use the cost of:

32 (i) Towing, storage, or vehicle rental; or

33 (ii) Repairing cosmetic damage.

1           (5)    The calculation under the 75% cost of repair threshold under  
2 paragraph (2) of this subsection may not affect the right of an insurer or a vehicle  
3 owner to make an economic or safety related decision to not repair the vehicle.

4           (6)    The Administration, in consultation with the Department of State  
5 Police and other interested parties, shall adopt regulations to implement this  
6 subsection.

7           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
8 October 1, 2012.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.