

Chapter 77

(House Bill 435)

AN ACT concerning

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

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

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

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

Article – Transportation

13–506.

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

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

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

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

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

(ii) A statement by the insurance company that:

1. The cost to repair the vehicle for highway operation is greater than 75% of the fair market value of the vehicle prior to sustaining the damage for which the claim was paid and the vehicle is repairable;
2. The vehicle is not rebuildable, will be used for parts only, and is not to be retitled;
3. The vehicle has been stolen;
4. The vehicle has sustained flood damage; or
5. The vehicle has been acquired by an insurance company as a result of a claim settlement and the cost to repair the vehicle is 75% or less of the fair market value of the vehicle prior to sustaining the damage for which the claim was paid; and

(iii) A fee established by the Administration.

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

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

- (i) Towing, storage, or vehicle rental; or
- (ii) Repairing cosmetic damage.

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

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

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

Approved by the Governor, April 10, 2012.