

HOUSE BILL No. 1026

DIGEST OF INTRODUCED BILL

Citations Affected: IC 9-22-3.

Synopsis: Certificates of salvage title. Provides that the bureau of motor vehicles (bureau) may issue a certificate of salvage title to a vehicle designated as "JUNK", "DISMANTLED", "SCRAP", "DESTROYED", or a similar designation in another state or jurisdiction. Provides that a vehicle may be issued a certificate of salvage title if the person that owns the vehicle does the following: (1) Surrenders the certificate of title containing the appropriate designation and showing proof of ownership. (2) Submits two photographs of the vehicle showing the damage to the vehicle. (3) Submits two estimates showing the damage to the vehicle, and that the cost of repairing the vehicle does not exceed 70% of the fair market value immediately before the vehicle obtained the designation "JUNK", "DISMANTLED", "SCRAP", "DESTROYED", or a similar designation in another state or jurisdiction. Sets forth the required information the bureau must place on a certificate of salvage title. Makes conforming changes.

Effective: July 1, 2022.

Ellington

January 4, 2022, read first time and referred to Committee on Roads and Transportation.



Second Regular Session of the 122nd General Assembly (2022)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2021 Regular Session of the General Assembly.

HOUSE BILL No. 1026

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 9-22-3-3, AS AMENDED BY P.L.198-2016,
2 SECTION 383, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2022]: Sec. 3. (a) A certificate of salvage title
4 is required for a vehicle that is manufactured within the last seven (7)
5 model years and meets any of the following criteria:
6 (1) An insurance company has determined that it is economically
7 impractical to repair the wrecked, destroyed, or damaged vehicle
8 and has made an agreed settlement with the insured or claimant.
9 (2) If the owner of the vehicle:
10 (A) is a business that insures its own vehicles; or
11 (B) acquired the vehicle after the vehicle was wrecked,
12 destroyed, or damaged;
13 the cost of repairing the wrecked, destroyed, or damaged vehicle
14 exceeds seventy percent (70%) of the fair market value
15 immediately before the vehicle was wrecked, destroyed, or
16 damaged.
17 (3) The vehicle is a flood damaged vehicle.



1 (b) The bureau may issue a salvage title ~~to~~ **for the following**
 2 **vehicles:**

3 (1) A vehicle that is subject to IC 9-17 upon the request of the
 4 owner of the vehicle.

5 (2) **A vehicle:**

6 (A) **that is subject to IC 9-17;**

7 (B) **has been designated "JUNK", "DISMANTLED",**
 8 **"SCRAP", "DESTROYED", or a similar designation in**
 9 **another state or jurisdiction; and**

10 (C) **meets the conditions under section 18.7 of this chapter.**

11 (c) A person that knowingly or intentionally fails to apply for a
 12 salvage title as required by subsection (a) commits a Class A infraction.

13 SECTION 2. IC 9-22-3-5, AS AMENDED BY P.L.27-2018,
 14 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2022]: Sec. 5. **Except as provided in section 18.7(c) of this**
 16 **chapter**, a certificate of salvage title issued under this chapter must
 17 contain the following information:

18 (1) The same vehicle information as a certificate of title issued by
 19 the bureau.

20 (2) The notation "SALVAGE TITLE" prominently recorded on
 21 the title.

22 (3) If the motor vehicle is a flood damaged vehicle, the notation
 23 "FLOOD DAMAGED" prominently recorded on the title.

24 SECTION 3. IC 9-22-3-15, AS AMENDED BY P.L.147-2018,
 25 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2022]: Sec. 15. (a) If a salvage vehicle is rebuilt for operation
 27 upon the highways and ownership is evidenced by a certificate of
 28 salvage title, the person that owns the vehicle shall apply to the bureau
 29 for a certificate of title with a rebuilt designation. The bureau shall
 30 issue a certificate of title under IC 9-17 with a rebuilt designation,
 31 subject to the following conditions:

32 (1) A state police officer inspects the vehicle and verifies proof of
 33 ownership of major component parts used and the source of the
 34 major component parts.

35 (2) The person that owns the vehicle submits, on a form
 36 prescribed by the bureau, a properly executed affidavit from the
 37 person that restored the motor vehicle. The affidavit must:

38 (A) include the name, identification number, and source of all
 39 component parts that were included in the restoration of the
 40 vehicle; and

41 (B) be attached to the certificate of salvage title.

42 (3) The person that owns the vehicle surrenders the certificate of



- 1 salvage title.
 2 A condition under this subsection is in addition to any requirements
 3 under IC 9-17.
 4 (b) Except as provided in subsection (c), a certificate of title issued
 5 under this section must conspicuously bear the designation:
 6 **(1) for a vehicle that has not been titled under section 18.7 of**
 7 **this chapter:**
 8 **(1) (A) "REBUILT VEHICLE" if the vehicle is not a flood**
 9 **damaged vehicle; or**
 10 **(2) (B) "REBUILT FLOOD DAMAGED VEHICLE" if the**
 11 **vehicle is a flood damaged vehicle; or**
 12 **(2) for a vehicle that has been titled under section 18.7 of this**
 13 **chapter:**
 14 **(A) "JUNK - REBUILT VEHICLE" if the vehicle is not a**
 15 **flood damaged vehicle; or**
 16 **(B) "JUNK - REBUILT FLOOD DAMAGED VEHICLE"**
 17 **if the vehicle is a flood damaged vehicle.**
 18 (c) An insurance company authorized to do business in Indiana may
 19 obtain a certificate of title that does not bear the rebuilt designation if
 20 the company submits to the bureau, in the form and manner the bureau
 21 requires, satisfactory evidence that the damage, if any, to a recovered
 22 stolen vehicle did not meet the criteria set forth in section 3 of this
 23 chapter.
 24 (d) A person that knowingly or intentionally violates this section
 25 commits a Class A infraction.
 26 (e) A police officer having jurisdiction in Indiana who makes an
 27 inspection under this section may charge a fee subject to the following
 28 conditions:
 29 (1) The fee must be established by an ordinance adopted by the
 30 unit (as defined in IC 36-1-2-23) that employs the police officer.
 31 (2) The fee may not exceed five dollars (\$5).
 32 (3) Revenue generated by the fee shall be deposited in the
 33 following manner:
 34 (A) A special vehicle inspection fund if the police officer
 35 making the inspection is a member of the county sheriff's
 36 department.
 37 (B) A local law enforcement continuing education fund
 38 established by IC 5-2-8-2 if the police officer making the
 39 inspection is:
 40 (i) a member of a city or town police department;
 41 (ii) a town marshal; or
 42 (iii) a town marshal deputy.



1 SECTION 4. IC 9-22-3-18, AS AMENDED BY P.L.125-2012,
 2 SECTION 138, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2022]: Sec. 18. **Except as provided in section**
 4 **18.7 of this chapter**, a vehicle that has been designated:

- 5 (1) "JUNK";
- 6 (2) "DISMANTLED";
- 7 (3) "SCRAP";
- 8 (4) "DESTROYED"; or
- 9 (5) ~~any~~ a similar designation in another state or jurisdiction;

10 ~~shall~~ **may** not be titled in Indiana.

11 SECTION 5. IC 9-22-3-18.7 IS ADDED TO THE INDIANA CODE
 12 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 13 1, 2022]: Sec. 18.7. (a) **Subject to the conditions in subsection (b),**
 14 **the bureau shall issue a certificate of salvage title to a vehicle that**
 15 **has been designated:**

- 16 (1) "JUNK";
- 17 (2) "DISMANTLED";
- 18 (3) "SCRAP";
- 19 (4) "DESTROYED"; or
- 20 (5) a similar designation in another state or jurisdiction.

21 (b) A certificate of salvage title shall be issued for a vehicle with
 22 a designation in subsection (a) if the vehicle meets the following
 23 conditions:

- 24 (1) The person that owns the vehicle surrenders the certificate
 25 of title or other similar documentation showing proof of
 26 ownership and containing the designation in subsection (a).
- 27 (2) The person submits two (2) photographs of the vehicle
 28 showing the damage to the vehicle.
- 29 (3) The person submits two (2) estimates showing the damage
 30 to the vehicle, and that the cost of repairing the vehicle does
 31 not exceed seventy percent (70%) of the fair market value
 32 immediately before the vehicle received the designation in
 33 subsection (a).

34 (c) A certificate of salvage title issued under this section must
 35 contain the following information:

- 36 (1) The information required to obtain a certificate of title
 37 issued by the bureau under IC 9-17.
- 38 (2) The notation "JUNK - SALVAGE TITLE" to be recorded
 39 prominently on the title.
- 40 (3) If the motor vehicle is a flood damaged vehicle, the
 41 notation "FLOOD DAMAGED" to be recorded prominently
 42 on the title.

