

1 **VEHICLE SALVAGE AMENDMENTS**

2 2012 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Curtis S. Bramble**

5 House Sponsor: Don L. Ipson

7 **LONG TITLE**

8 **General Description:**

9 This bill modifies the Motor Vehicle Act by amending provisions relating to salvage
10 vehicles.

11 **Highlighted Provisions:**

12 This bill:

13 ▶ amends the requirement that an owner of a self-insured vehicle or an owner who is
14 uninsured surrender to the Motor Vehicle Division the properly endorsed certificate
15 of title or other evidence of ownership acceptable to the Motor Vehicle Division
16 within 10 days of damage; and

17 ▶ makes technical changes.

18 **Money Appropriated in this Bill:**

19 None

20 **Other Special Clauses:**

21 None

22 **Utah Code Sections Affected:**

23 AMENDS:

24 **41-1a-1005**, as last amended by Laws of Utah 2008, Chapter 270

26 *Be it enacted by the Legislature of the state of Utah:*

27 Section 1. Section **41-1a-1005** is amended to read:

28 **41-1a-1005. Salvage vehicle -- Declaration by insurance company -- Surrender of**
29 **title -- Salvage certificate of title.**

30 (1) (a) (i) Except as provided in Subsection (1)(a)(iii) or (iv), if an insurance company
31 declares a vehicle a salvage vehicle and takes possession of the vehicle for disposal, or an
32 insurance company pays off the owner of a vehicle that is stolen and not recovered, the
33 insurance company shall within 10 days from the settlement of the loss surrender to the
34 division the outstanding certificate of title, properly endorsed, or other evidence of ownership
35 acceptable to the division.

36 (ii) The division shall then issue a salvage certificate in the insurance company's name.

37 (iii) The division shall issue a salvage certificate in an insurance company's name no
38 sooner than 30 days from the settlement of the loss if the insurance company:

39 (A) declares a vehicle a salvage vehicle;

40 (B) issues settlement payment to the registered owner of the vehicle;

41 (C) has contacted the owner of the vehicle at least two times requesting certificate of
42 title or other evidence of ownership acceptable to the division and the owner has not responded
43 to the requests; and

44 (D) has presented the division evidence of the settlement and evidence that the
45 insurance company has complied with the requirements of this Subsection (1)(a)(iii) on a form
46 prescribed by the division.

47 (iv) The division shall issue a salvage certificate in an insurance company's name no
48 sooner than 30 days from the receipt of an improperly endorsed certificate of title if the
49 insurance company:

50 (A) declares a vehicle a salvage vehicle;

51 (B) has contacted the owner of the vehicle at least two times requesting correction of
52 the improperly endorsed certificate of title and the owner of the vehicle has not responded to
53 the requests; and

54 (C) has presented the division evidence of the settlement, the improperly endorsed
55 certificate of title, and evidence that the insurance company has complied with the
56 requirements of this Subsection (1)(a)(iv) on a form prescribed by the division.

57 (v) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

58 division shall make rules establishing the requirements for an insurance company to prove that
59 it has complied with the requirements of Subsection (1)(a)(iii) or (iv) to receive a salvage
60 certificate.

61 (b) (i) If the owner of a salvage vehicle retains possession of the vehicle, the insurance
62 company shall within 10 days from the settlement of the loss notify the division of the retention
63 on a form prescribed by the division.

64 (ii) The insurance company shall notify the owner of the vehicle of his responsibility to
65 comply with this section.

66 (iii) The owner shall within 10 days from the settlement of the loss surrender to the
67 division the properly endorsed certificate of title or other evidence of ownership acceptable to
68 the division.

69 (iv) The division shall then issue a salvage certificate in the owner's name.

70 (c) (i) When a salvage vehicle is not the subject of an insurance settlement, a
71 self-insurer or an owner who is uninsured shall within 10 days of the [~~theft or major~~] damage
72 surrender to the division the properly endorsed certificate of title or other evidence of
73 ownership acceptable to the division.

74 (ii) The division shall then issue a salvage certificate in the owner's name.

75 (d) (i) If a dealer licensed under Title 41, Chapter 3, Part 2, Licensing, takes possession
76 of any salvage vehicle for which there is not already issued a branded title or salvage certificate
77 from the division or another jurisdiction, the dealer shall within 10 days surrender to the
78 division the certificate of title or other evidence of ownership acceptable to the division.

79 (ii) The division shall then issue a salvage certificate in the applicant's name.

80 (2) Any person, insurance company, or dealer licensed under Title 41, Chapter 3, Part
81 2, Licensing, who fails to obtain a salvage certificate as required in this section or who sells a
82 salvage vehicle without first obtaining a salvage certificate is guilty of a class B misdemeanor.

83 (3) This section does not apply to a vehicle:

84 (a) that has an undamaged, wholesale value of \$2,000 or less; or

85 (b) if a salvage certificate has been issued by another state or jurisdiction for the

86 salvage vehicle.

87 (4) Upon sale or disposal of a salvage vehicle, the seller shall deliver to the purchaser
88 the properly endorsed salvage certificate within 48 hours as required in Section 41-1a-1310, or
89 if the seller is a dealer licensed under Title 41, Chapter 3, Part 2, Licensing, the dealer shall
90 comply with Section 41-3-301.

91 (5) Except as provided in Subsection (1), this chapter does not apply to a motor vehicle
92 that has been stolen or taken without the consent of the owner until the motor vehicle has been
93 recovered, and then it applies only if the motor vehicle is a salvage vehicle.