

Calendar No. 495

105TH CONGRESS
2D SESSION

S. 852

[Report No. 105-265]

A BILL

To establish nationally uniform requirements regarding the titling and registration of salvage, nonrepairable, and rebuilt vehicles.

JULY 27, 1998

Reported with an amendment

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To establish nationally uniform requirements regarding the titling and registration of salvage, nonrepairable, and rebuilt vehicles.

IN THE SENATE OF THE UNITED STATES

JUNE 9, 1997

Mr. LOTT (for himself, Mr. FORD, Mr. WARNER, Mr. SHELBY, Mr. HELMS, Mr. INOUE, Mr. ABRAHAM, Mr. FAIRCLOTH, Mr. DOMENICI, Mr. HUTCHINSON, Mr. FRIST, Mr. BROWNBACK, Mr. COCHRAN, Mr. MCCONNELL, Mr. BREAUX, Mr. ROCKEFELLER, Mr. ROBERTS, Mr. BINGAMAN, Mr. JEFFORDS, Mr. LEAHY, Mr. GREGG, Mr. DASCHLE, Mr. DURBIN, Mr. THOMPSON, Mr. AKAKA, Mr. HATCH, Mr. DORGAN, Mr. SESSIONS, Mr. SMITH of New Hampshire, Mr. CONRAD, Mr. JOHNSON, Mr. ROBB, Mr. SMITH of Oregon, Mr. REID, Mr. MURKOWSKI, Mr. ENZI, Mr. GRAMS, Mr. CAMPBELL, Mr. STEVENS, Mr. NICKLES, Mr. HAGEL, Mr. KEMPTHORNE, Mr. BURNS, Mr. KERREY, Mr. INHOFE, Mr. CRAIG, Mr. BENNETT, Mr. COVERDELL, Mr. THOMAS, Mr. MCCAIN, Mr. SANTORUM, and Mrs. HUTCHISON) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

JULY 27, 1998

Reported by Mr. MCCAIN, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

A BILL

To establish nationally uniform requirements regarding the

titling and registration of salvage, nonrepairable, and rebuilt vehicles.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “National Motor Vehicle
5 Safety, Anti-theft, Title Reform, and Consumer Protection
6 Act of 1997”.

7 **SEC. 2. MOTOR VEHICLE TITLING AND DISCLOSURE RE-**
8 **QUIREMENTS.**

9 (a) **IN GENERAL.**—Subtitle VI of title 49, United
10 States Code, is amended by adding at the end the follow-
11 ing new chapter:

“CHAPTER 333-AUTOMOBILE SAFETY, ANTI-THEFT,
AND TITLE DISCLOSURE REQUIREMENTS

“Sec.

“33301. Definitions.

“33302. Passenger motor vehicle titling.

“33303. Label requirement.

“33304. Petition for extensions of time.

“33305. Effect on State law.

“33306. Civil and criminal penalties.

12 **“§ 33301. DEFINITIONS**

13 “For the purposes of this chapter the following
14 definitions apply:

15 “(1) **PASSENGER MOTOR VEHICLE.**—The term
16 ‘passenger motor vehicle’ means a motor vehicle as
17 defined in section 32101(7) that is rated by the
18 manufacturer at not more than 10,000 pounds gross
19 vehicle weight and that is either—

1 “(A) a passenger motor vehicle as defined
2 in section 32101(10), including a multipurpose
3 passenger vehicle as defined in section
4 32101(9); or

5 “(B) a truck (other than a truck referred
6 to in section 32101(10)(B)).

7 “(2) SALVAGE VEHICLE.—

8 “(A) IN GENERAL.—The term ‘salvage ve-
9 hicle’ means any late model or valuable older
10 passenger motor vehicle that has been wrecked,
11 destroyed, or damaged to the extent that—

12 “(i) if the vehicle is not rebuilt or re-
13 constructed, the total estimated cost; or

14 “(ii) if the vehicle is rebuilt or recon-
15 structed, the total actual cost

16 of parts and labor to rebuild or reconstruct the
17 passenger motor vehicle to its preaccident con-
18 dition for legal operation on the roads or high-
19 ways exceeds 75 percent of the retail value of
20 the passenger motor vehicle, immediately before
21 it was wrecked, damaged, or destroyed, as set
22 forth in the most recent edition of any nation-
23 ally recognized compilation (including auto-
24 mated databases) of current retail values that is
25 approved by the Secretary.

1 “(B) LATE MODEL.—For purposes of sub-
 2 paragraph (A), the term ‘late model passenger
 3 vehicle’ means any passenger motor vehicle that
 4 has a model year designation of—

5 “(i) the year in which the vehicle was
 6 wrecked, destroyed, or damaged; or

7 “(ii) any of the 6 immediately preced-
 8 ing model years.

9 “(C) VALUABLE OLDER.—For purposes of
 10 subparagraph (A), the term ‘valuable older pas-
 11 senger motor vehicle’ means any passenger
 12 motor vehicle that had a retail value, imme-
 13 diately before it was wrecked, destroyed, or
 14 damaged, of more than \$10,000. Beginning
 15 with the second calendar year beginning after
 16 the date of enactment of the National Motor
 17 Vehicle Safety, Antitheft, Title Reform, and
 18 Consumer Protection Act of 1997, the Sec-
 19 retary shall adjust the dollar figure in this sub-
 20 paragraph to reflect the change, if any, in the
 21 average consumer price index for the preceding
 22 year from the average consumer price index for
 23 1997.

24 “(D) DETERMINATION OF VALUE OF RE-
 25 PAIR PARTS.—For purposes of subparagraph

1 (A), the value of repair parts shall be deter-
 2 mined by using—

3 “(i) the published retail cost of the
 4 original equipment manufacturer parts; or

5 “(ii) the actual retail cost of the re-
 6 pair parts to be used in the repair.

7 “(E) DETERMINATION OF LABOR COSTS.—

8 For purposes of subparagraph (A), the labor
 9 cost of repairs shall be computed by using the
 10 hourly labor rate and time allocations that are
 11 reasonable and customary in the automobile re-
 12 pair industry in the community in which the re-
 13 pairs are performed.

14 “(F) CERTAIN OTHER VEHICLES IN-
 15 CLUDED.—The term ‘salvage vehicle’ also
 16 means—

17 “(i) a passenger motor vehicle with re-
 18 spect to which an insurance company ac-
 19 quires ownership under a damage settle-
 20 ment (except for a settlement in connection
 21 with a recovered theft vehicle that did not
 22 sustain a sufficient degree of damage to
 23 meet the 75 percent threshold specified in
 24 subparagraph (A)); or

1 “(ii) a passenger motor vehicle that
 2 an owner may wish to designate as a sal-
 3 vage vehicle by obtaining a salvage title,
 4 without regard to the extent of the damage
 5 and repairs.

6 “(G) SPECIAL RULE.—A designation of a
 7 passenger motor vehicle by an owner under sub-
 8 paragraph (F)(ii) shall not impose any obliga-
 9 tion on—

10 “(i) the insurer of the passenger
 11 motor vehicle; or

12 “(ii) an insurer processing a claim
 13 made by or on behalf of the owner of the
 14 passenger motor vehicle.

15 “(3) SALVAGE TITLE.—

16 “(A) IN GENERAL.—The term ‘salvage
 17 title’ means a passenger motor vehicle owner-
 18 ship document issued by a State to the owner
 19 of a salvage vehicle.

20 “(B) TRANSFER OF OWNERSHIP.—Owner-
 21 ship of a salvage vehicle may be transferred on
 22 a salvage title.

23 “(C) PROHIBITION.—The salvage vehicle
 24 may not be registered for use on the roads or

1 highways unless the salvage vehicle has been
 2 issued a rebuilt salvage title.

3 ~~“(D) REQUIREMENT FOR A SALVAGE TITLE.—~~

4 A salvage title shall be conspicuously labeled with
 5 the word ‘salvage’ across the front of the document.

6 ~~“(4) REBUILT SALVAGE VEHICLE.—~~The term
 7 ‘rebuilt salvage vehicle’ means—

8 ~~“(A) For passenger motor vehicles subject~~
 9 ~~to a safety inspection in a State that requires~~
 10 ~~such an inspection under section~~
 11 ~~33302(b)(2)(H), any passenger motor vehicle~~
 12 ~~that has—~~

13 ~~“(i) been issued previously a salvage~~
 14 ~~title;~~

15 ~~“(ii) passed applicable State antitheft~~
 16 ~~inspection;~~

17 ~~“(iii) been issued a certificate indicat-~~
 18 ~~ing that the passenger motor vehicle has—~~

19 ~~“(I) passed the antitheft inspec-~~
 20 ~~tion referred to in clause (ii); and~~

21 ~~“(II) been issued a certificate in-~~
 22 ~~dicating that the passenger motor ve-~~
 23 ~~hicle has passed a required safety in-~~
 24 ~~spection under section~~
 25 ~~33302(b)(2)(H); and~~

1 “(iv) affixed to the door jamb adja-
 2 cent to the driver’s seat a decal stating
 3 ‘Rebuilt Salvage Vehicle-Antitheft and
 4 Safety Inspections Passed’; or

5 “(B) for passenger motor vehicles in a
 6 State other than a State referred to in subpara-
 7 graph (A), any passenger motor vehicle that
 8 has—

9 “(i) been issued previously a salvage
 10 title;

11 “(ii) passed an applicable State
 12 antitheft inspection;

13 “(iii) been issued a certificate indicat-
 14 ing that the passenger motor vehicle has
 15 passed the required antitheft inspection re-
 16 ferred to in clause (ii); and

17 “(iv) affixed to the door jamb adja-
 18 cent to the driver’s seat, a decal stating
 19 ‘Rebuilt Salvage Vehicle-Antitheft Inspec-
 20 tion Passed/No Safety Inspection Pursuant
 21 to National Criteria’.

22 “(5) REBUILT SALVAGE TITLE.—

23 “(A) IN GENERAL.—The term ‘rebuilt sal-
 24 vage title’ means the passenger motor vehicle

1 ownership document issued by a State to the
2 owner of a rebuilt salvage vehicle.

3 “(B) TRANSFER OF OWNERSHIP.—Owner-
4 ship of a rebuilt salvage vehicle may be trans-
5 ferred on a rebuilt salvage title.

6 “(C) REGISTRATION FOR USE.—A pas-
7 senger motor vehicle for which a rebuilt salvage
8 title has been issued may be registered for use
9 on the roads and highways.

10 “(D) REQUIREMENT FOR A REBUILT A RE-
11 BUILT SALVAGE TITLE.—A rebuilt salvage title
12 shall be conspicuously labeled, either with ‘re-
13 built salvage vehicle-antitheft and safety inspec-
14 tions passed’ or ‘rebuilt salvage vehicle-antitheft
15 inspection passed/no safety inspection pursuant
16 to national criteria’, as appropriate, across the
17 front of the document.

18 “(6) NONREPAIRABLE VEHICLE.—

19 “(A) IN GENERAL.—The term ‘nonrepair-
20 able vehicle’ means any passenger motor vehicle
21 that—

22 “(i)(I) is incapable of safe operation
23 for use on roads or highways; and

24 “(II) has no resale value, except as a
25 source of parts or scrap only; or

1 “(ii) the owner irreversibly designates
2 as a source of parts or scrap.

3 “(B) CERTIFICATE.—Each nonrepairable
4 vehicle shall be issued a nonrepairable vehicle
5 certificate.

6 “(7) NONREPAIRABLE VEHICLE CERTIFI-
7 CATE.—

8 “(A) IN GENERAL.—The term ‘nonrepair-
9 able vehicle certificate’ means a passenger
10 motor vehicle ownership document issued by the
11 State to the owner of a nonrepairable vehicle.

12 “(B) TRANSFER OF OWNERSHIP.—Owner-
13 ship of the passenger motor vehicle may be
14 transferred not more than 2 times on a non-
15 repairable vehicle certificate.

16 “(C) PROHIBITION.—A nonrepairable vehi-
17 cle that is issued a nonrepairable vehicle certifi-
18 cate may not be titled or registered for use on
19 roads or highways at any time after the
20 issuance of the certificate.

21 “(D) REQUIREMENT FOR NONREPAIRABLE
22 VEHICLE CERTIFICATE.—A nonrepairable vehi-
23 cle certificate shall be conspicuously labeled
24 with the term ‘nonrepairable’ across the front
25 of the document.

1 “(8) FLOOD VEHICLE.—

2 “(A) IN GENERAL.—The term ‘flood vehi-
3 ele’ means any passenger motor vehicle that has
4 been submerged in water to the point that ris-
5 ing water has reached over the door sill of the
6 motor vehicle and has entered the passenger or
7 trunk compartment.

8 “(B) REQUIREMENT FOR DISCLOSURE.—

9 Disclosure that a passenger motor vehicle has
10 become a flood vehicle shall be made by the per-
11 son transferring ownership at the time of trans-
12 fer of ownership. After such transfer is com-
13 pleted, the certificate of title shall be conspicu-
14 ously labeled with the term ‘flood’ across the
15 front of the document.

16 “(9) SECRETARY.—The term ‘Secretary’ means
17 the Secretary of Transportation.

18 **“§ 33302. PASSENGER MOTOR VEHICLE TITLING**

19 “(a) CARRYFORWARD OF CERTAIN TITLE INFORMA-
20 TION IF A PREVIOUS TITLE WAS NOT ISSUED IN AC-
21 CORDANCE WITH CERTAIN NATIONALLY UNIFORM
22 STANDARDS.—

23 “(1) IN GENERAL.—If—

24 “(A) records that are readily accessible to
25 a State indicate that a passenger motor vehicle

1 with respect to which the ownership is trans-
 2 ferred on or after the date that is 1 year after
 3 the date of enactment of the National Motor
 4 Vehicle Safety, Antitheft, Title Reform, and
 5 Consumer Protection Act of 1997, has been
 6 issued previously a title that bore a term or
 7 symbol described in paragraph (2); and

8 “(B) the State issues an ownership docu-
 9 ment, the State shall disclose that fact on a cer-
 10 tificate of title or other ownership document
 11 issued by the State.

12 “(2) TERMS AND SYMBOLS.—

13 “(A) IN GENERAL.—A State shall be subject to
 14 the requirements of paragraph (1) with respect
 15 to the following terms on a title that has been
 16 issued previously to a passenger motor vehicle
 17 (or symbols indicating the meanings of those
 18 terms):

19 “(i) salvage.

20 “(ii) unrebuildable.

21 “(iii) parts only.

22 “(iv) scrap.

23 “(v) junk.

24 “(vi) nonrepairable.

25 “(vii) reconstructed.

1 “(viii) rebuilt.

2 “(ix) any other similar term, as deter-
3 mined by the Secretary.

4 “(B) FLOOD DAMAGE.—A State shall be
5 subject to the requirements of paragraph (1) if
6 a term or symbol on a title issued previously for
7 a passenger vehicle indicates that the vehicle
8 has been damaged by flood.

9 “(b) NATIONALLY UNIFORM TITLE STANDARDS AND
10 CONTROL METHODS.—

11 “(1) IN GENERAL.—Not later than 18 months
12 after the date of the enactment of the National
13 Motor Vehicle Safety, Antitheft, Title Reform, and
14 Consumer Protection Act of 1997, the Secretary
15 shall issue regulations that require each State that
16 licenses passenger motor vehicles with respect to
17 which the ownership is transferred on or after the
18 date that is 2 years after the issuance of final regu-
19 lations, to apply with respect to the issuance of the
20 title for any such motor vehicle uniform standards,
21 procedures, and methods for—

22 “(A) the issuance and control of that title;
23 and

24 “(B) information to be contained on such
25 title.

1 “(2) CONTENTS OF REGULATIONS.—The titling
2 standards, control procedures, methods, and infor-
3 mation covered under the regulations issued under
4 this subsection shall include the following:

5 “(A) INDICATION OF STATUS.—Each State
6 shall indicate on the face of a title or certificate
7 for a passenger motor vehicle, as applicable, if
8 the passenger motor vehicle is a salvage vehicle,
9 a nonrepairable vehicle, a rebuilt salvage vehi-
10 cle, or a flood vehicle.

11 “(B) SUBSEQUENT TITLES.—The informa-
12 tion referred to in subparagraph (A) concerning
13 the status of the passenger vehicle shall be con-
14 veyed on any subsequent title, including a du-
15 plicate or replacement title, for the passenger
16 motor vehicle issued by the original titling State
17 or any other State.

18 “(C) SECURITY STANDARDS.—The title
19 documents, the certificates and decals required
20 by section 33301(4), and the system for issuing
21 those documents, certificates, and decals shall
22 meet security standards that minimize opportu-
23 nities for fraud.

24 “(D) IDENTIFYING INFORMATION.—Each
25 certificate of title referred to in subparagraph

1 (A) shall include the passenger motor vehicle
2 make, model, body type, year, odometer disclo-
3 sure, and vehicle identification number.

4 “(E) UNIFORM LAYOUT.—The title docu-
5 ments covered under the regulations shall main-
6 tain a uniform layout, that shall be established
7 by the Secretary, in consultation with each
8 State or an organization that represents States.

9 “(F) NONREPAIRABLE VEHICLES.—A pas-
10 senger motor vehicle designated as nonrepair-
11 able—

12 “(i) shall be issued a nonrepairable
13 vehicle certificate; and

14 “(ii) may not be retitled.

15 “(G) REBUILT SALVAGE TITLE.—No re-
16 built salvage title may be issued to a salvage ve-
17 hicle unless, after the salvage vehicle is repaired
18 or rebuilt, the salvage vehicle complies with the
19 requirements for a rebuilt salvage vehicle under
20 section 33301(4).

21 “(H) INSPECTION PROGRAMS.—Each State
22 inspection program shall be designed to comply
23 with the requirements of this subparagraph and
24 shall be subject to approval and periodic review

1 by the Secretary. Each such inspection program
2 shall include the following:

3 “(i) Each owner of a passenger motor
4 vehicle that submits a vehicle for an
5 antitheft inspection shall be required to
6 provide—

7 “(I) a completed document iden-
8 tifying the damage that occurred to
9 the vehicle before being repaired;

10 “(II) a list of replacement parts
11 used to repair the vehicle;

12 “(III) proof of ownership of the
13 replacement parts referred to in sub-
14 clause (II) (as evidenced by bills of
15 sale, invoices or, if such documents
16 are not available, other proof of own-
17 ership for the replacement parts); and

18 “(IV) an affirmation by the
19 owner that—

20 “(a) the information re-
21 quired to be submitted under this
22 subparagraph is complete and ac-
23 curate; and

24 “(β) to the knowledge of the
25 declarant, no stolen parts were

1 used during the rebuilding of the
2 repaired vehicle.

3 “(ii) Any passenger motor vehicle or
4 any major part or major replacement part
5 required to be marked under this section
6 that—

7 “(I) has a mark or vehicle identi-
8 fication number that has been illegally
9 altered, defaced, or falsified; and

10 “(II) cannot be identified as hav-
11 ing been legally obtained (through evi-
12 dence described in clause (i)(III));
13 shall be contraband and subject to seizure.

14 “(iii) To avoid confiscation of parts
15 that have been legally rebuilt or remanu-
16 factured, the regulations issued under this
17 subsection shall include procedures that
18 the Secretary, in consultation with the At-
19 torney General of the United States, shall
20 establish—

21 “(I) for dealing with parts with a
22 mark or vehicle identification number
23 that is normally removed during re-
24 manufacturing or rebuilding practices

1 that are considered acceptable by the
2 automotive industry; and

3 “(II) deeming any part referred
4 to in subclause (I) to meet the identi-
5 fication requirements under the regu-
6 lations if the part bears a conspicuous
7 mark of such type; and is applied in
8 such manner, as may be determined
9 by the Secretary to indicate that the
10 part has been rebuilt or remanufac-
11 tured.

12 “(iv) With respect to any vehicle part,
13 the regulations issued under this sub-
14 section shall—

15 “(I) acknowledge that a mark or
16 vehicle identification number on such
17 part may be legally removed or al-
18 tered, as provided under section 511
19 of title 18, United States code; and

20 “(II) direct inspectors to adopt
21 such procedures as may be necessary
22 to prevent the seizure of a part from
23 which the mark or vehicle identifica-
24 tion number has been legally removed
25 or altered.

1 “(v) The Secretary shall establish na-
2 tionally uniform safety inspection criteria
3 to be used in States that require such a
4 safety inspection. A State may determine
5 whether to conduct such safety inspection,
6 contract with a third party, or permit self-
7 inspection. Any inspection conducted under
8 this clause shall be subject to criteria es-
9 tablished by the Secretary. A State that re-
10 quires a safety inspection under this clause
11 may require the payment of a fee for such
12 inspection or the processing of such inspec-
13 tion.

14 “(I) DUPLICATE TITLES.—No duplicate or
15 replacement title may be issued by a State un-
16 less—

17 “(i) the term ‘duplicate’ is clearly
18 marked on the face of the duplicate or re-
19 placement title; and

20 “(ii) the procedures issued are sub-
21 stantially consistent with the recommenda-
22 tion designated as recommendation 3 in
23 the report issued on February 10, 1994,
24 under section 140 of the Anti Car Theft

1 Act of 1992 (15 U.S.C. 2041 note) by the
2 task force established under such section.

3 “(J) TITLING AND CONTROL METHODS.—

4 Each State shall employ the following titling
5 and control methods:

6 “(i) If an insurance company is not
7 involved in a damage settlement involving
8 a salvage vehicle or a nonrepairable vehi-
9 cle, the passenger motor vehicle owner
10 shall be required to apply for a salvage
11 title or nonrepairable vehicle certificate,
12 whichever is applicable, before the earlier
13 of the date—

14 “(I) on which the passenger
15 motor vehicle is repaired or the own-
16 ership of the passenger motor vehicle
17 is transferred; or

18 “(II) that is 30 days after the
19 passenger motor vehicle is damaged.

20 “(ii) If an insurance company, under
21 a damage settlement, acquires ownership
22 of a passenger motor vehicle that has in-
23 curred damage requiring the vehicle to be
24 titled as a salvage vehicle or nonrepairable
25 vehicle, the insurance company shall be re-

1 required to apply for a salvage title or non-
2 repairable vehicle certificate not later than
3 15 days after the title to the motor vehicle
4 is—

5 “(I) properly assigned by the
6 owner to the insurance company; and

7 “(II) delivered to the insurance
8 company with all liens released.

9 “(iii) If an insurance company does
10 not assume ownership of an insured per-
11 son’s or claimant’s passenger motor vehicle
12 that has incurred damage requiring the ve-
13 hicle to be titled as a salvage vehicle or
14 nonrepairable vehicle, the insurance com-
15 pany shall notify—

16 “(I) the owner of the own-
17 er’s obligation to apply for a sal-
18 vage title or nonrepairable vehicle
19 certificate for the passenger
20 motor vehicle; and

21 “(II) the State passenger
22 motor vehicle titling office that a
23 salvage title or nonrepairable ve-
24 hicle certificate should be issued
25 for the vehicle.

1 “(iv) If a leased passenger motor vehi-
2 cle incurs damage requiring the vehicle to
3 be titled as a salvage vehicle or nonrepair-
4 able vehicle, the lessor shall be required to
5 apply for a salvage title or nonrepairable
6 vehicle certificate not later than 21 days
7 after being notified by the lessee that the
8 vehicle has been so damaged, except in any
9 case in which an insurance company, under
10 a damage settlement, acquires ownership
11 of the vehicle. The lessee of such vehicle
12 shall be required to inform the lessor that
13 the leased vehicle has been so damaged not
14 later than 30 days after the occurrence of
15 the damage.

16 “(v)(I) any person who acquires own-
17 ership of a damaged passenger motor vehi-
18 cle that meets the definition of a salvage or
19 nonrepairable vehicle for which a salvage
20 title or nonrepairable vehicle certificate has
21 not been issued, shall be required to apply
22 for a salvage title or nonrepairable vehicle
23 certificate, whichever is applicable.

24 “(II) An application under subclause
25 (I) shall be made the earlier of—

1 ~~“(a) the date on which the vehi-~~
2 ~~cle is further transferred; or~~

3 ~~“(β) 30 days after ownership is~~
4 ~~acquired.~~

5 ~~“(III) The requirements of this clause~~
6 ~~shall not apply to any scrap metal pro-~~
7 ~~cessor that—~~

8 ~~“(a) acquires a passenger~~
9 ~~motor vehicle for the sole purpose~~
10 ~~of processing the motor vehicle~~
11 ~~into prepared grades of scrap;~~
12 ~~and~~

13 ~~“(β) carries out that processing.~~

14 ~~“(vi) State records shall note when a~~
15 ~~nonrepairable vehicle certificate is issued.~~
16 ~~No State shall issue a nonrepairable vehi-~~
17 ~~cle certificate after 2 transfers of owner-~~
18 ~~ship in violation of section 33301(7)(B).~~

19 ~~“(vii)(I) In any case in which a pas-~~
20 ~~senger motor vehicle has been flattened,~~
21 ~~baled, or shredded, whichever occurs first,~~
22 ~~the title or nonrepairable vehicle certificate~~
23 ~~for the vehicle shall be surrendered to the~~
24 ~~State not later than 30 days after that oc-~~
25 ~~currence.~~

1 “(H) If the second transferee on a
2 nonrepairable vehicle certificate is
3 unequipped to flatten, bale, or shred the
4 vehicle, such transferee shall be required,
5 at the time of final disposal of the vehicle,
6 to use the services of a professional auto-
7 motive recycler or professional scrap proc-
8 essor. That recycler or reprocessor shall
9 have the authority to—

10 “(a) flatten, bale, or shred the
11 vehicle; and

12 “(β) effect the surrender of the
13 nonrepairable vehicle certificate to the
14 State on behalf of the second trans-
15 feree.

16 “(III) State records shall be updated
17 to indicate the destruction of a vehicle
18 under this clause and no further ownership
19 transactions for the vehicle shall be per-
20 mitted after the vehicle is so destroyed.

21 “(IV) If different from the State of
22 origin of the title or nonrepairable vehicle
23 certificate, the State of surrender shall no-
24 tify the State of origin of the surrender of

1 the title or nonrepairable vehicle certificate
2 and of the destruction of such vehicle.

3 “(viii)(I) In any case in which a sal-
4 vage title is issued, the State records shall
5 note that issuance. No State may permit
6 the retitling for registration purposes or
7 issuance of a rebuilt salvage title for a pas-
8 senger motor vehicle with a salvage title
9 without a certificate of inspection that-

10 “(a) complies with the security
11 and guideline standards established by
12 the Secretary under subparagraphs
13 (C) and (G), as applicable; and

14 “(β) indicates that the vehicle
15 has passed the inspections required by
16 the State under subparagraph (H).

17 “(H) Nothing in this clause shall pre-
18 clude the issuance of a new salvage title
19 for a salvage vehicle after a transfer of
20 ownership.

21 “(ix) After a passenger motor vehicle
22 titled with a salvage title has passed the
23 inspections required by the State, the in-
24 spection official shall—

1 ~~“(I) affix a secure decal required~~
2 ~~under section 33301(4) (that meets~~
3 ~~permanency requirements that the~~
4 ~~Secretary shall establish by regula-~~
5 ~~tion) to the door jamb on the driver’s~~
6 ~~side of the vehicle; and~~

7 ~~“(II) issue to the owner of the~~
8 ~~vehicle a certificate indicating that the~~
9 ~~passenger motor vehicle has passed~~
10 ~~the inspections required by the State.~~

11 ~~“(x)(I) The owner of a passenger~~
12 ~~motor vehicle titled with a salvage title~~
13 ~~may obtain a rebuilt salvage title and vehi-~~
14 ~~cle registration by presenting to the State~~
15 ~~the salvage title, properly assigned, if ap-~~
16 ~~plicable, along with the certificate that the~~
17 ~~vehicle has passed the inspections required~~
18 ~~by the State.~~

19 ~~“(II) If the owner of a rebuilt salvage~~
20 ~~vehicle submits the documentation referred~~
21 ~~to in subclause (I), the State shall issue~~
22 ~~upon the request of the owner a rebuilt~~
23 ~~salvage title and registration to the owner.~~
24 ~~When a rebuilt salvage title is issued, the~~
25 ~~State records shall so note.~~

1 “(K) FLOOD VEHICLES.—

2 “(i) IN GENERAL.—A seller of a pas-
3 senger motor vehicle that becomes a flood
4 vehicle shall, at or before the time of trans-
5 fer of ownership, provide a written notice
6 to the purchaser that the vehicle is a flood
7 vehicle. At the time of the next title appli-
8 cation for the vehicle—

9 “(I) the applicant shall disclose
10 the flood status to the applicable
11 State with the properly assigned title;
12 and

13 “(II) the term ‘flood’ shall be
14 conspicuously labeled across the front
15 of the new title document.

16 “(ii) LEASED VEHICLES.—In the case
17 of a leased passenger motor vehicle, the
18 lessee, within 15 days after the occurrence
19 of the event that caused the vehicle to be-
20 come a flood vehicle, shall give the lessor
21 written disclosure that the vehicle is a
22 flood vehicle.

23 “(e) ELECTRONIC PROCEDURES.—A State may em-
24 ploy electronic procedures in lieu of paper documents in
25 any case in which such electronic procedures provide levels

1 of information, function, and security required by this sec-
 2 tion that are at least equivalent to the levels otherwise pro-
 3 vided by paper documents.

4 **“§ 33303. LABEL REQUIREMENT**

5 “(a) IN GENERAL.—The Secretary shall by regula-
 6 tion require that a label be affixed to the windshield or
 7 window of a rebuilt salvage vehicle before its first sale at
 8 retail containing such information regarding that vehicle
 9 as the Secretary may require. The requirements prescribed
 10 by the Secretary under this subsection shall be similar to
 11 the requirements of section 3 of the Automobile Informa-
 12 tion Disclosure Act (15 U.S.C. 1232). The label shall be
 13 affixed by the individual who conducts the applicable State
 14 antitheft inspection.

15 “(b) REMOVAL, ALTERATION, OR ILLIGIBILITY OF
 16 REQUIRED LABEL.—No person shall willfully remove,
 17 alter, or render illegible any label required by subsection
 18 (a) affixed to a rebuilt salvage vehicle before the vehicle
 19 is delivered to the actual custody and possession of the
 20 first retail purchaser of the vehicle.

21 **“§ 33304. PETITION FOR EXTENSIONS OF TIME**

22 “(a) IN GENERAL.—Subject to subsection (b), if a
 23 State demonstrates to the satisfaction of the Secretary,
 24 a valid reason for needing an extension of a deadline for
 25 compliance with requirements under section 33302(a), the

1 Secretary may extend, for a period determined by the Sec-
 2 retary, an otherwise applicable deadline with respect to
 3 that State.

4 “(b) LIMITATION.—No extension made under sub-
 5 section (a) shall remain in effect on or after the applicable
 6 compliance date established under section 33302(b).

7 **“§ 33305. EFFECT ON STATE LAW**

8 “(a) IN GENERAL.—Beginning on the effective date
 9 of the regulations issued under section 33302, this chapter
 10 shall preempt any State law, to the extent that State law
 11 is inconsistent with this chapter or the regulations issued
 12 under this chapter that—

13 “(1) establish the form of the passenger motor
 14 vehicle title;

15 “(2)(A) define, in connection with a passenger
 16 motor vehicle (but not in connection with a pas-
 17 senger motor vehicle part or part assembly separate
 18 from a passenger motor vehicle)—

19 “(i) any term defined in section 33301;

20 “(ii) the term ‘salvage’, ‘junk’, ‘recon-
 21 structed’, ‘nonrepairable’, ‘unrebuildable’,
 22 ‘scrap’, ‘parts only’, ‘rebuilt’, ‘flood’, or any
 23 other similar symbol or term; or

24 “(B) apply any of the terms referred to in sub-
 25 paragraph (A) to any passenger motor vehicle (but

1 not in connection with a passenger motor vehicle
2 part or part assembly separate from a passenger
3 motor vehicle); or

4 “(3) establish titling, recordkeeping, antitheft
5 inspection, or control procedures in connection with
6 any salvage vehicle, rebuilt salvage vehicle, non-
7 repairable vehicle, or flood vehicle.

8 “(b) ADDITIONAL DISCLOSURES.—Additional disclo-
9 sures of the title status or history of a motor vehicle, in
10 addition to disclosures made concerning the applicability
11 of terms defined in section 33301, may not be considered
12 to be inconsistent with this chapter.

13 “(c) DISCLOSURE OF SAFETY INSPECTION.—Nothing
14 in this chapter shall preclude a State from disclosing on
15 a rebuilt salvage title that a rebuilt salvage vehicle has
16 passed a State safety inspection that differed from the na-
17 tionally uniform criteria promulgated under section
18 33302(b)(2)(H)(v).

19 “(d) STATE ENFORCEMENT.—Subsection (a) does
20 not preclude a State from enforcing the provisions of this
21 chapter by injunction or otherwise, or by establishing
22 State civil or criminal penalties for violations of the provi-
23 sions of this chapter.

1 **“§ 33306. CIVIL AND CRIMINAL PENALTIES**

2 “(a) PROHIBITED ACTS.—It shall be unlawful for any
3 person knowingly and willfully to—

4 “(1) make or cause to be made any false state-
5 ment on an application for a title (or duplicate title)
6 for a passenger motor vehicle;

7 “(2) fail to apply for a salvage title in any case
8 in which such an application is required;

9 “(3) alter, forge, or counterfeit—

10 “(A) a certificate of title (or an assignment
11 thereof);

12 “(B) a nonrepairable vehicle certificate;

13 “(C) a certificate verifying an antitheft in-
14 spection or an antitheft and safety inspection;
15 or

16 “(D) a decal affixed to a passenger motor
17 vehicle under section 33302(b)(2)(J)(ix);

18 “(4) falsify the results of, or provide false infor-
19 mation in the course of, an inspection conducted
20 under section 33302(b)(2)(H);

21 “(5) offer to sell any salvage vehicle or non-
22 repairable vehicle as a rebuilt salvage vehicle; or

23 “(6) conspire to commit any act under para-
24 graph (1), (2), (3), (4), or (5).

1 “(b) CIVIL PENALTY.—Any person who commits an
2 unlawful act under subsection (a) shall be subject to a civil
3 penalty in an amount not to exceed \$2,000.

4 “(c) CRIMINAL PENALTY.—Any person who know-
5 ingly commits an unlawful act under subsection (a) shall,
6 upon conviction, be—

7 “(1) subject to a fine in an amount not to ex-
8 ceed \$50,000;

9 “(2) imprisoned for a term not to exceed 3
10 years; or

11 “(3) subject to both fine under paragraph (1)
12 and imprisonment under paragraph (2).”.

13 (b) CONFORMING AMENDMENT.—The analysis for
14 subtitle VI of Title 49, United States Code, is amended
15 by adding at the end the following new item:

“Automobile safety, antitheft, and title disclosure requirements 33301”.

16 **SECTION 1. SHORT TITLE.**

17 *This Act may be cited as the “National Salvage Motor*
18 *Vehicle Consumer Protection Act of 1997”.*

19 **SEC. 2. MOTOR VEHICLE TITLING AND DISCLOSURE RE-**
20 **QUIREMENTS.**

21 (a) AMENDMENT TO TITLE 49, UNITED STATES
22 CODE.—*Subtitle VI of title 49, United States Code, is*
23 *amended by inserting a new chapter at the end:*

1 **“CHAPTER 333—AUTOMOBILE SAFETY AND**
 2 **TITLE DISCLOSURE REQUIREMENTS**

“Sec.

“33301. *Definitions.*

“33302. *Passenger motor vehicle titling.*

“33303. *Disclosure and label requirements on transfer of rebuilt salvage vehicles.*

“33304. *Report on funding.*

“33305. *Effect on State law.*

“33306. *Civil and criminal penalties.*

“33307. *Actions by States.*

3 **“§ 33301. *Definitions***

4 “(a) *DEFINITIONS.—For the purposes of this chapter:*

5 “(1) *PASSENGER MOTOR VEHICLE.—The term*
 6 *‘passenger motor vehicle’ shall have the same meaning*
 7 *given such term by section 32101(10), except, notwith-*
 8 *standing section 32101(9), it shall include a multi-*
 9 *purpose passenger vehicle (constructed on a truck*
 10 *chassis or with special features for occasional off-road*
 11 *operation), or a truck, other than a truck referred to*
 12 *in section 32101(10)(B), when that vehicle or truck is*
 13 *rated by the manufacturer of such vehicle or truck at*
 14 *not more than 10,000 pounds gross vehicle weight,*
 15 *and except further, it shall only include a vehicle*
 16 *manufactured primarily for use on public streets,*
 17 *roads, and highways.*

18 “(2) *SALVAGE VEHICLE.—The term ‘salvage ve-*
 19 *hicle’ means any passenger motor vehicle, other than*
 20 *a flood vehicle or a nonrepairable vehicle, which—*

1 “(A) is a late model vehicle which has been
2 wrecked, destroyed, or damaged, to the extent
3 that the total cost of repairs to rebuild or recon-
4 struct the passenger motor vehicle to its condi-
5 tion immediately before it was wrecked, de-
6 stroyed, or damaged, and for legal operation on
7 the roads or highways, exceeds 80 percent of the
8 retail value of the passenger motor vehicle;

9 “(B) is a late model vehicle which has been
10 wrecked, destroyed, or damaged, and to which an
11 insurance company acquires ownership pursuant
12 to a damage settlement (except in the case of a
13 settlement in connection with a recovered stolen
14 vehicle, unless such vehicle sustained damage suf-
15 ficient to meet the damage threshold prescribed
16 by subparagraph (A)); or

17 “(C) the owner wishes to voluntarily des-
18 ignate as a salvage vehicle by obtaining a sal-
19 vage title, without regard to the level of damage,
20 age, or value of such vehicle or any other factor,
21 except that such designation by the owner shall
22 not impose on the insurer of the passenger motor
23 vehicle or on an insurer processing a claim made
24 by or on behalf of the owner of the passenger
25 motor vehicle any obligation or liability.

1 “(3) *SALVAGE TITLE.*—*The term ‘salvage title’*
2 *means a passenger motor vehicle ownership document*
3 *issued by the State to the owner of a salvage vehicle.*
4 *A salvage title shall be conspicuously labeled with the*
5 *word ‘salvage’ across the front.*

6 “(4) *REBUILT SALVAGE VEHICLE.*—*The term ‘re-*
7 *built salvage vehicle’ means—*

8 “(A) *any passenger motor vehicle which was*
9 *previously issued a salvage title, has passed*
10 *State anti-theft inspection, has been issued a cer-*
11 *tificate indicating that the passenger motor vehi-*
12 *cle has passed the required anti-theft inspection,*
13 *has passed the State safety inspection in those*
14 *States requiring a safety inspection pursuant to*
15 *section 33302(b)(8), has been issued a certificate*
16 *indicating that the passenger motor vehicle has*
17 *passed the required safety inspection in those*
18 *States requiring such a safety inspection pursu-*
19 *ant to section 33302(b)(8), and has a decal stat-*
20 *ing ‘Rebuilt Salvage Vehicle—Anti-theft and*
21 *Safety Inspections Passed’ affixed to the driver’s*
22 *door jamb; or*

23 “(B) *any passenger motor vehicle which was*
24 *previously issued a salvage title, has passed a*
25 *State anti-theft inspection, has been issued a cer-*

1 *tificate indicating that the passenger motor vehi-*
2 *cle has passed the required anti-theft inspection,*
3 *and has, affixed to the driver’s door jamb, a*
4 *decal stating ‘Rebuilt Salvage Vehicle—Anti-*
5 *theft Inspection Passed/No Safety Inspection*
6 *Pursuant to National Criteria’ in those States*
7 *not requiring a safety inspection pursuant to*
8 *section 33302(b)(8).*

9 “(5) *REBUILT SALVAGE TITLE.*—*The term ‘re-*
10 *built salvage title’ means the passenger motor vehicle*
11 *ownership document issued by the State to the owner*
12 *of a rebuilt salvage vehicle. A rebuilt salvage title*
13 *shall be conspicuously labeled either with the words*
14 *‘Rebuilt Salvage Vehicle—Anti-theft and Safety In-*
15 *spections Passed’ or ‘Rebuilt Salvage Vehicle—Anti-*
16 *theft Inspection Passed/No Safety Inspection Pursu-*
17 *ant to National Criteria,’ as appropriate, across the*
18 *front.*

19 “(6) *NONREPAIRABLE VEHICLE.*—*The term ‘non-*
20 *repairable vehicle’ means any passenger motor vehi-*
21 *cle, other than a flood vehicle, which is incapable of*
22 *safe operation for use on roads or highways and*
23 *which has no resale value except as a source of parts*
24 *or scrap only or which the owner irreversibly des-*
25 *ignates as a source of parts or scrap. Such passenger*

1 *motor vehicle shall be issued a nonrepairable vehicle*
2 *certificate and shall never again be titled or reg-*
3 *istered.*

4 “(7) *NONREPAIRABLE VEHICLE CERTIFICATE.*—
5 *The term ‘nonrepairable vehicle certificate’ means a*
6 *passenger motor vehicle ownership document issued*
7 *by the State to the owner of a nonrepairable vehicle.*
8 *A nonrepairable vehicle certificate shall be conspicu-*
9 *ously labeled with the word ‘Nonrepairable’ across the*
10 *front.*

11 “(8) *SECRETARY.*—*The term ‘Secretary’ means*
12 *the Secretary of Transportation.*

13 “(9) *LATE MODEL VEHICLE.*—*The term ‘Late*
14 *Model Vehicle’ means any passenger motor vehicle*
15 *which—*

16 “(A) *has a manufacturer’s model year des-*
17 *ignation of or later than the year in which the*
18 *vehicle was wrecked, destroyed, or damaged, or*
19 *any of the six preceding years; or*

20 “(B) *has a retail value of more than \$7,500.*
21 *The Secretary shall adjust such retail value on an an-*
22 *annual basis in accordance with changes in the con-*
23 *sumer price index.*

1 “(10) *RETAIL VALUE.*—The term ‘retail value’
2 *means the actual cash value, fair market value, or re-*
3 *tail value of a passenger motor vehicle as—*

4 “(A) *set forth in a current edition of any*
5 *nationally recognized compilation (to include*
6 *automated databases) of retail values; or*

7 “(B) *determined pursuant to a market sur-*
8 *vey of comparable vehicles with regard to condi-*
9 *tion and equipment.*

10 “(11) *COST OF REPAIRS.*—The term ‘cost of re-
11 *pairs’ means the estimated retail cost of parts needed*
12 *to repair the vehicle or, if the vehicle has been re-*
13 *paired, the actual retail cost of the parts used in the*
14 *repair, and the cost of labor computed by using the*
15 *hourly labor rate and time allocations that are rea-*
16 *sonable and customary in the automobile repair in-*
17 *dustry in the community where the repairs are to be*
18 *performed.*

19 “(12) *FLOOD VEHICLE.*—The term ‘flood vehicle’
20 *means any passenger motor vehicle that—*

21 “(A) *has been acquired by an insurance*
22 *company as part of a damage settlement due to*
23 *water damage; or*

24 “(B) *has been submerged in water to the*
25 *point that rising water has reached over the door*

1 *sill, has entered the passenger or trunk compart-*
2 *ment, and has exposed any electrical, computer-*
3 *ized, or mechanical component to water, ex-*
4 *cept—*

5 “(i) *where a passenger motor vehicle*
6 *which, pursuant to an inspection conducted*
7 *by an insurance adjuster or estimator, a*
8 *motor vehicle repairer or motor vehicle deal-*
9 *er in accordance with inspection guidelines*
10 *or procedures established by the Secretary*
11 *or the State, is determined to have no elec-*
12 *trical, computerized or mechanical compo-*
13 *nents which were damaged by water; or,*

14 “(ii) *where a passenger motor vehicle*
15 *which, pursuant to an inspection conducted*
16 *by an insurance adjuster or estimator, a*
17 *motor vehicle repairer or motor vehicle deal-*
18 *er in accordance with inspection guidelines*
19 *or procedures established by the Secretary*
20 *or the State, is determined to have one or*
21 *more electrical, computerized or mechanical*
22 *components which were damaged by water*
23 *and where all such damaged components*
24 *have been repaired or replaced.*

1 *Disclosure that a vehicle is a flood vehicle must be*
2 *made at the time of transfer of ownership and the*
3 *brand 'Flood' shall be conspicuously marked on all*
4 *subsequent titles for the vehicle. No inspection shall be*
5 *required unless the owner or insurer of the passenger*
6 *motor vehicle is seeking to avoid a brand of 'Flood'*
7 *pursuant to subparagraph (B). Disclosing a passenger*
8 *motor vehicle's status as a flood vehicle or conducting*
9 *an inspection pursuant to subparagraph (B) shall not*
10 *impose on any person any liability for damage to (ex-*
11 *cept in the case of damage caused by the inspector*
12 *at the time of the inspection) or reduced value of a*
13 *passenger motor vehicle.*

14 *“(b) CONSTRUCTION.—The definitions set forth in sub-*
15 *section (a) shall only apply to vehicles in a State which*
16 *are wrecked, destroyed, or otherwise damaged on or after*
17 *the date on which such State complies with the requirements*
18 *of this chapter and the rule promulgated pursuant to sec-*
19 *tion 33302(b).*

20 **“§ 33302. Passenger motor vehicle titling**

21 *“(a) CARRY-FORWARD OF INFORMATION ON A NEWLY*
22 *ISSUED TITLE WHERE THE PREVIOUS TITLE FOR THE VE-*
23 *HICLE WAS NOT ISSUED PURSUANT TO NEW NATIONALLY*
24 *UNIFORM STANDARDS.—For any passenger motor vehicle,*
25 *the ownership of which is transferred on or after the date*

1 *that is 1 year from the date of the enactment of this chapter,*
2 *each State receiving funds, either directly or indirectly, ap-*
3 *propriated under section 30503(c) of this title after the date*
4 *of the enactment of this chapter, in licensing such vehicle*
5 *for use, shall disclose in writing on the certificate of title*
6 *whenever records readily accessible to the State indicate*
7 *that the passenger motor vehicle was previously issued a*
8 *title that bore any word or symbol signifying that the vehi-*
9 *cle was ‘salvage’, ‘unrebuildable’, ‘parts only’, ‘scrap’,*
10 *‘junk’, ‘nonrepairable’, ‘reconstructed’, ‘rebuilt’, or any*
11 *other symbol or word of like kind, or that it has been dam-*
12 *aged by flood.*

13 “(b) *NATIONALLY UNIFORM TITLE STANDARDS AND*
14 *CONTROL METHODS.—Not later than 18 months after the*
15 *date of the enactment of this chapter, the Secretary shall*
16 *by rule require each State receiving funds, either directly*
17 *or indirectly, appropriated under section 30503(c) of this*
18 *title after the date of the enactment of this chapter, in li-*
19 *censing any passenger motor vehicle where ownership of*
20 *such passenger motor vehicle is transferred more than 2*
21 *years after publication of such final rule, to apply uniform*
22 *standards, procedures, and methods for the issuance and*
23 *control of titles for motor vehicles and for information to*
24 *be contained on such titles. Such titling standards, control*

1 *procedures, methods, and information shall include the fol-*
2 *lowing requirements:*

3 “(1) *A State shall conspicuously indicate on the*
4 *face of the title or certificate for a passenger motor ve-*
5 *hicle, as applicable, if the passenger motor vehicle is*
6 *a salvage vehicle, a nonrepairable vehicle, a rebuilt*
7 *salvage vehicle, or a flood vehicle.*

8 “(2) *Such information concerning a passenger*
9 *motor vehicle’s status shall be conveyed on any subse-*
10 *quent title, including a duplicate or replacement title,*
11 *for the passenger motor vehicle issued by the original*
12 *titling State or any other State.*

13 “(3) *The title documents, the certificates, and de-*
14 *icals required by section 33301(4), and the issuing sys-*
15 *tem shall meet security standards minimizing the op-*
16 *portunities for fraud.*

17 “(4) *The certificate of title shall include the pas-*
18 *senger motor vehicle make, model, body type, year,*
19 *odometer disclosure, and vehicle identification num-*
20 *ber.*

21 “(5) *The title documents shall maintain a uni-*
22 *form layout, to be established in consultation with the*
23 *States or an organization representing them.*

1 “(6) A passenger motor vehicle designated as
2 nonrepairable shall be issued a nonrepairable vehicle
3 certificate and shall not be retitled.

4 “(7) No rebuilt salvage title shall be issued to a
5 salvage vehicle unless, after the salvage vehicle is re-
6 paired or rebuilt, it complies with the requirements
7 for a rebuilt salvage vehicle pursuant to section
8 33301(4). Any State inspection program operating
9 under this paragraph shall be subject to continuing
10 review by and approval of the Secretary. Any such
11 anti-theft inspection program shall include the follow-
12 ing:

13 “(A) A requirement that the owner of any
14 passenger motor vehicle submitting such vehicle
15 for an anti-theft inspection provide a completed
16 document identifying the vehicle’s damage prior
17 to being repaired, a list of replacement parts
18 used to repair the vehicle, and proof of owner-
19 ship of such replacement parts, as may be evi-
20 denced by bills of sale, invoices, or, if such docu-
21 ments are not available, other proof of ownership
22 for the replacement parts. The owner shall also
23 include an affirmation that the information in
24 the declaration is complete and accurate and

1 *that, to the knowledge of the declarant, no stolen*
2 *parts were used during the rebuilding.*

3 “(B) *A requirement to inspect the passenger*
4 *motor vehicle or any major part or any major*
5 *replacement part required to be marked under*
6 *section 33102 for signs of such mark or vehicle*
7 *identification number being illegally altered, de-*
8 *faced, or falsified. Any such passenger motor ve-*
9 *hicle or any such part having a mark or vehicle*
10 *identification number that has been illegally al-*
11 *tered, defaced, or falsified, and that cannot be*
12 *identified as having been legally obtained*
13 *(through bills of sale, invoices, or other owner-*
14 *ship documentation), shall be contraband and*
15 *subject to seizure. The Secretary, in consultation*
16 *with the Attorney General, shall, as part of the*
17 *rule required by this section, establish procedures*
18 *for dealing with those parts whose mark or vehi-*
19 *cle identification number is normally removed*
20 *during industry accepted remanufacturing or re-*
21 *building practices, which parts shall be deemed*
22 *identified for purposes of this section if they bear*
23 *a conspicuous mark of a type, and applied in*
24 *such a manner, as designated by the Secretary,*
25 *indicating that they have been rebuilt or re-*

1 *manufactured. With respect to any vehicle part,*
2 *the Secretary's rule, as required by this section,*
3 *shall acknowledge that a mark or vehicle identi-*
4 *fication number on such part may be legally re-*
5 *moved or altered as provided for in section 511*
6 *of title 18, United States Code, and shall direct*
7 *inspectors to adopt such procedures as may be*
8 *necessary to prevent the seizure of a part from*
9 *which the mark or vehicle identification number*
10 *has been legally removed or altered.*

11 *“(8) Any safety inspection for a rebuilt salvage*
12 *vehicle performed pursuant to this chapter shall be*
13 *performed in accordance with nationally uniform*
14 *safety inspection criteria established by the Secretary.*
15 *A State may determine whether to conduct such safety*
16 *inspection itself, contract with one or more third par-*
17 *ties, or permit self-inspection by a person licensed by*
18 *such State in an automotive-related business, all sub-*
19 *ject to criteria promulgated by the Secretary here-*
20 *under. Any State inspection program operating under*
21 *this paragraph shall be subject to continuing review*
22 *by and approval of the Secretary. A State requiring*
23 *such safety inspection may require the payment of a*
24 *fee for the privilege of such inspection or the process-*
25 *ing thereof.*

1 “(9) No duplicate or replacement title shall be
2 issued unless the word ‘duplicate’ is clearly marked
3 on the face thereof and unless the procedures for such
4 issuance are substantially consistent with Rec-
5 ommendation three of the Motor Vehicle Titling, Reg-
6 istration and Salvage Advisory Committee.

7 “(10) A State shall employ the following titling
8 and control methods:

9 “(A) If an insurance company is not in-
10 volved in a damage settlement involving a sal-
11 vage vehicle or a nonrepairable vehicle, the pas-
12 senger motor vehicle owner shall apply for a sal-
13 vage title or nonrepairable vehicle certificate,
14 whichever is applicable, before the passenger
15 motor vehicle is repaired or the ownership of the
16 passenger motor vehicle is transferred, but in
17 any event within 30 days after the passenger
18 motor vehicle is damaged.

19 “(B) If an insurance company, pursuant to
20 a damage settlement, acquires ownership of a
21 passenger motor vehicle that has incurred dam-
22 age requiring the vehicle to be titled as a salvage
23 vehicle or nonrepairable vehicle, the insurance
24 company or salvage facility or other agent on its
25 behalf shall apply for a salvage title or non-

1 *repairable vehicle certificate within 30 days after*
2 *the title is properly assigned by the owner to the*
3 *insurance company and delivered to the insur-*
4 *ance company or salvage facility or other agent*
5 *on its behalf with all liens released.*

6 *“(C) If an insurance company does not as-*
7 *sume ownership of an insured’s or claimant’s*
8 *passenger motor vehicle that has incurred dam-*
9 *age requiring the vehicle to be titled as a salvage*
10 *vehicle or nonrepairable vehicle, the insurance*
11 *company shall notify the owner of the owner’s*
12 *obligation to apply for a salvage title or non-*
13 *repairable vehicle certificate for the passenger*
14 *motor vehicle and notify the State passenger*
15 *motor vehicle titling office that a salvage title or*
16 *nonrepairable vehicle certificate should be issued*
17 *for the vehicle, except to the extent such notifica-*
18 *tion is prohibited by State insurance law.*

19 *“(D) If a leased passenger motor vehicle in-*
20 *currs damage requiring the vehicle to be titled as*
21 *a salvage vehicle or nonrepairable vehicle, the*
22 *lessor shall apply for a salvage title or non-*
23 *repairable vehicle certificate within 21 days after*
24 *being notified by the lessee that the vehicle has*
25 *been so damaged, except when an insurance com-*

1 pany, pursuant to a damage settlement, acquires
2 ownership of the vehicle. The lessee of such vehi-
3 cle shall inform the lessor that the leased vehicle
4 has been so damaged within 30 days after the oc-
5 currence of the damage.

6 “(E) Any person acquiring ownership of a
7 damaged passenger motor vehicle that meets the
8 definition of a salvage or nonrepairable vehicle
9 for which a salvage title or nonrepairable vehicle
10 certificate has not been issued, shall apply for a
11 salvage title or nonrepairable vehicle certificate,
12 whichever is applicable. This application shall be
13 made before the vehicle is further transferred, but
14 in any event, within 30 days after ownership is
15 acquired. The requirements of this subparagraph
16 shall not apply to any scrap metal processor
17 which acquires a passenger motor vehicle for the
18 sole purpose of processing it into prepared grades
19 of scrap and which so processes such vehicle.

20 “(F) State records shall note when a non-
21 repairable vehicle certificate is issued. No State
22 shall issue a nonrepairable vehicle certificate
23 after 2 transfers of ownership.

24 “(G) When a passenger motor vehicle has
25 been flattened, baled, or shredded, whichever

1 comes first, the title or nonrepairable vehicle cer-
2 tificate for the vehicle shall be surrendered to the
3 State within 30 days. If the second transferee on
4 a nonrepairable vehicle certificate is unequipped
5 to flatten, bale, or shred the vehicle, such trans-
6 feree shall, at the time of final disposal of the ve-
7 hicle, use the services of a professional auto-
8 motive recycler or professional scrap processor
9 who is hereby authorized to flatten, bale, or shred
10 the vehicle and to effect the surrender of the non-
11 repairable vehicle certificate to the State on be-
12 half of such second transferee. State records shall
13 be updated to indicate the destruction of such ve-
14 hicle and no further ownership transactions for
15 the vehicle will be permitted. If different than the
16 State of origin of the title or nonrepairable vehi-
17 cle certificate, the State of surrender shall notify
18 the State of origin of the surrender of the title
19 or nonrepairable vehicle certificate and of the de-
20 struction of such vehicle.

21 “(H) When a salvage title is issued, the
22 State records shall so note. No State shall permit
23 the retitling for registration purposes or issuance
24 of a rebuilt salvage title for a passenger motor
25 vehicle with a salvage title without a certificate

1 *of inspection, which complies with the security*
2 *and guideline standards established by the Sec-*
3 *retary pursuant to paragraphs (3), (7), and (8),*
4 *as applicable, indicating that the vehicle has*
5 *passed the inspections required by the State.*
6 *This subparagraph does not preclude the*
7 *issuance of a new salvage title for a salvage vehi-*
8 *cle after a transfer of ownership.*

9 *“(I) After a passenger motor vehicle titled*
10 *with a salvage title has passed the inspections re-*
11 *quired by the State, the inspection official will*
12 *affix the secure decal required pursuant to sec-*
13 *tion 33301(4) to the driver’s door jamb of the ve-*
14 *hicle and issue to the owner of the vehicle a cer-*
15 *tificate indicating that the passenger motor vehi-*
16 *cle has passed the inspections required by the*
17 *State. The decal shall comply with the perma-*
18 *nency requirements established by the Secretary.*

19 *“(J) The owner of a passenger motor vehicle*
20 *titled with a salvage title may obtain a rebuilt*
21 *salvage title or vehicle registration, or both, by*
22 *presenting to the State the salvage title, properly*
23 *assigned, if applicable, along with the certificate*
24 *that the vehicle has passed the inspections re-*
25 *quired by the State. With such proper docu-*

1 *mentation and upon request, a rebuilt salvage*
2 *title or registration, or both, shall be issued to*
3 *the owner. When a rebuilt salvage title is issued,*
4 *the State records shall so note.*

5 “(11) *A seller of a passenger motor vehicle that*
6 *becomes a flood vehicle shall, at or prior to the time*
7 *of transfer of ownership, give the buyer a written no-*
8 *tice that the vehicle has been damaged by flood, pro-*
9 *vided such person has actual knowledge that such ve-*
10 *hicle has been damaged by flood. At the time of the*
11 *next title application for the vehicle, disclosure of the*
12 *flood status shall be provided to the applicable State*
13 *with the properly assigned title and the word ‘Flood’*
14 *shall be conspicuously labeled across the front of the*
15 *new title.*

16 “(12) *In the case of a leased passenger motor ve-*
17 *hicle, the lessee, within 15 days of the occurrence of*
18 *the event that caused the vehicle to become a flood ve-*
19 *hicle, shall give the lessor written disclosure that the*
20 *vehicle is a flood vehicle.*

21 “(13) *Ownership of a passenger motor vehicle*
22 *may be transferred on a salvage title, however, a pas-*
23 *senger motor vehicle for which a salvage title has been*
24 *issued shall not be registered for use on the roads or*

1 *highways unless it has been issued a rebuilt salvage*
2 *title.*

3 “(14) *Ownership of a passenger motor vehicle*
4 *may be transferred on a rebuilt salvage title, and a*
5 *passenger motor vehicle for which a rebuilt salvage*
6 *title has been issued may be registered for use on the*
7 *roads and highways.*

8 “(15) *Ownership of a passenger motor vehicle*
9 *may only be transferred 2 times on a nonrepairable*
10 *vehicle certificate. A passenger motor vehicle for which*
11 *a nonrepairable vehicle certificate has been issued can*
12 *never be titled or registered for use on roads or high-*
13 *ways.*

14 “(c) *CONSUMER NOTICE IN NONCOMPLIANT STATES.—*
15 *Any State receiving, either directly or indirectly, funds ap-*
16 *propriated under section 30503(c) of this title after the date*
17 *of enactment of this chapter and not complying with the*
18 *requirements of subsections (a) and (b) of this section, shall*
19 *conspicuously print the following notice on all titles or own-*
20 *ership certificates issued for passenger motor vehicles in*
21 *such State until such time as such State is in compliance*
22 *with the requirements of subsections (a) and (b) of this sec-*
23 *tion: ‘NOTICE: This State does not conform to the uniform*
24 *Federal requirements of the National Salvage Motor Vehicle*
25 *Consumer Protection Act of 1997.’*

1 **“§ 33303. Disclosure and label requirements on trans-**
2 **fer of rebuilt salvage vehicles**

3 “(a) *WRITTEN DISCLOSURE REQUIREMENTS.*—

4 “(1) *GENERAL RULE.*—Under regulations pre-
5 scribed by the Secretary of Transportation, a person
6 transferring ownership of a rebuilt salvage vehicle
7 shall give the transferee a written disclosure that the
8 vehicle is a rebuilt salvage vehicle when such person
9 has actual knowledge of the status of such vehicle.

10 “(2) *FALSE STATEMENT.*—A person making a
11 written disclosure required by a regulation prescribed
12 under paragraph (1) of this subsection may not make
13 a false statement in the disclosure.

14 “(3) *COMPLETENESS.*—A person acquiring a re-
15 built salvage vehicle for resale may accept a disclosure
16 under paragraph (1) only if it is complete.

17 “(4) *REGULATIONS.*—The regulations prescribed
18 by the Secretary shall provide the way in which in-
19 formation is disclosed and retained under paragraph
20 (1).

21 “(b) *LABEL REQUIREMENTS.*—

22 “(1) *IN GENERAL.*—The Secretary shall by regu-
23 lation require that a label be affixed to the windshield
24 or window of a rebuilt salvage vehicle before its first
25 sale at retail containing such information regarding
26 that vehicle as the Secretary may require. The label

1 *shall be affixed by the individual who conducts the*
2 *applicable State antitheft inspection in a participat-*
3 *ing State.*

4 “(2) *REMOVAL, ALTERATION, OR ILLEGIBILITY*
5 *OF REQUIRED LABEL.—No person shall willfully re-*
6 *move, alter, or render illegible any label required by*
7 *paragraph (1) affixed to a rebuilt salvage vehicle be-*
8 *fore the vehicle is delivered to the actual custody and*
9 *possession of the first retail purchaser.*

10 “(c) *LIMITATION.—The requirements of subsections (a)*
11 *and (b) shall only apply to a transfer of ownership of a*
12 *rebuilt salvage vehicle where such transfer occurs in a State*
13 *which, at the time of the transfer, is complying with sub-*
14 *sections (a) and (b) of section 33302.*

15 **“§ 33304. Report on funding**

16 *“The Secretary shall, contemporaneously with the*
17 *issuance of a final rule pursuant to section 33302(b), report*
18 *to appropriate committees of Congress whether the costs to*
19 *the States of compliance with such rule can be met by user*
20 *fees for issuance of titles, issuance of registrations, issuance*
21 *of duplicate titles, inspection of rebuilt vehicles, or for the*
22 *State services, or by earmarking any moneys collected*
23 *through law enforcement action to enforce requirements es-*
24 *tablished by such rule.*

1 **“§ 33305. Effect on State law**

2 “(a) *IN GENERAL.*—Unless a State is in compliance
3 with subsection (c) of section 33302, effective on the date
4 the rule promulgated pursuant to section 33302 becomes ef-
5 fective, the provisions of this chapter shall preempt all State
6 laws in States receiving funds, either directly or indirectly,
7 appropriated under section 30503(c) of this title after the
8 date of the enactment of this chapter, to the extent they are
9 inconsistent with the provisions of this chapter or the rule
10 promulgated pursuant to section 33302, which—

11 “(1) set forth the form of the passenger motor ve-
12 hicle title;

13 “(2) define, in connection with a passenger
14 motor vehicle (but not in connection with a passenger
15 motor vehicle part or part assembly separate from a
16 passenger motor vehicle), any term defined in section
17 33301 or the terms ‘salvage’, ‘nonrepairable’, or
18 ‘flood’, or apply any of those terms to any passenger
19 motor vehicle (but not to a passenger motor vehicle
20 part or part assembly separate from a passenger
21 motor vehicle); or

22 “(3) set forth titling, recordkeeping, anti-theft in-
23 spection, or control procedures in connection with any
24 salvage vehicle, rebuilt salvage vehicle, nonrepairable
25 vehicle, or flood vehicle.

1 *The requirements described in paragraph (3) shall not be*
 2 *construed to affect any State consumer law actions that*
 3 *may be available to residents of the State for violations of*
 4 *this chapter.*

5 “(b) *CONSTRUCTION.*—*Additional disclosures of a pas-*
 6 *senger motor vehicle’s title status or history, in addition*
 7 *to the terms defined in section 33301, shall not be deemed*
 8 *inconsistent with the provisions of this chapter. Such disclo-*
 9 *tures shall include disclosures made on a certificate of title.*
 10 *When used in connection with a passenger motor vehicle*
 11 *(but not in connection with a passenger motor vehicle part*
 12 *or part assembly separate from a passenger motor vehicle),*
 13 *any definition of a term defined in section 33301 which*
 14 *is different than the definition in that section or any use*
 15 *of any term listed in subsection (a), but not defined in sec-*
 16 *tion 33301, shall be deemed inconsistent with the provisions*
 17 *of this chapter. Nothing in this chapter shall preclude a*
 18 *State from disclosing on a rebuilt salvage title that a rebuilt*
 19 *salvage vehicle has passed a State safety inspection which*
 20 *differed from the nationally uniform criteria to be promul-*
 21 *gated pursuant to section 33302(b)(8).*

22 **“§ 33306. Civil and criminal penalties**

23 “(a) *PROHIBITED ACTS.*—*It shall be unlawful for any*
 24 *person knowingly and willfully to—*

1 “(1) make or cause to be made any false state-
2 ment on an application for a title (or duplicate title)
3 for a passenger motor vehicle or any disclosure made
4 pursuant to section 33303;

5 “(2) fail to apply for a salvage title when such
6 an application is required;

7 “(3) alter, forge, or counterfeit a certificate of
8 title (or an assignment thereof), a nonrepairable vehi-
9 cle certificate, a certificate verifying an anti-theft in-
10 spection or an anti-theft and safety inspection, a
11 decal affixed to a passenger motor vehicle pursuant to
12 section 33302(b)(10)(I), or any disclosure made pur-
13 suant to section 33303;

14 “(4) falsify the results of, or provide false infor-
15 mation in the course of, an inspection conducted pur-
16 suant to section 33302(b)(7) or (8);

17 “(5) offer to sell any salvage vehicle or non-
18 repairable vehicle as a rebuilt salvage vehicle;

19 “(6) fail to make any disclosure required by sec-
20 tion 33303, except when the person lacks actual
21 knowledge of the status of the rebuilt salvage vehicle;

22 “(7) violate a regulation prescribed under this
23 chapter; or

24 “(8) conspire to commit any of the acts enumer-
25 ated in paragraph (1), (2), (3), (4), (5), (6), or (7).

1 “(b) *CIVIL PENALTY.*—Any person who commits an
2 unlawful act as provided in subsection (a) of this section
3 shall be fined a civil penalty of up to \$2,000 per offense.
4 A separate violation occurs for each passenger motor vehicle
5 involved in the violation.

6 “(c) *CRIMINAL PENALTY.*—Any person who commits
7 an unlawful act as provided in subsection (a) of this section
8 shall be fined up to \$50,000 or sentenced to up to 3 years
9 imprisonment or both, per offense.

10 **“§ 33307. Actions by States**

11 “(a) *IN GENERAL.*—Whenever an attorney general of
12 any State has reason to believe that the interests of the resi-
13 dents of that State have been or are being threatened or
14 adversely affected because any person has violated or is vio-
15 lating section 33302 or 33303, the State, as *parens patriae*,
16 may bring a civil action on behalf of its residents in an
17 appropriate district court of the United States or the appro-
18 priate State court to enjoin such violation or to enforce the
19 civil penalties under section 33306 or enforce the criminal
20 penalties under section 33306.

21 “(b) *NOTICE.*—The State shall serve prior written no-
22 tice of any civil or criminal action under subsection (a)
23 or (e)(2) upon the Attorney General and provide the Attor-
24 ney General with a copy of its complaint, except that if
25 it is not feasible for the State to provide such prior notice,

1 *the State shall serve such notice immediately upon institut-*
2 *ing such action. Upon receiving a notice respecting a civil*
3 *or criminal action, the Attorney General shall have the*
4 *right—*

5 “(1) *to intervene in such action;*

6 “(2) *upon so intervening, to be heard on all mat-*
7 *ters arising therein; and*

8 “(3) *to file petitions for appeal.*

9 “(c) *CONSTRUCTION.—For purposes of bringing any*
10 *civil or criminal action under subsection (a), nothing in*
11 *this Act shall prevent an attorney general from exercising*
12 *the powers conferred on the attorney general by the laws*
13 *of such State to conduct investigations or to administer*
14 *oaths or affirmations or to compel the attendance of wit-*
15 *nesses or the production of documentary and other evidence.*

16 “(d) *VENUE; SERVICE OF PROCESS.—Any civil or*
17 *criminal action brought under subsection (a) in a district*
18 *court of the United States may be brought in the district*
19 *in which the defendant is found, is an inhabitant, or trans-*
20 *acts business or wherever venue is proper under section*
21 *1391 of title 28, United States Code. Process in such an*
22 *action may be served in any district in which the defendant*
23 *is an inhabitant or in which the defendant may be found.*

24 “(e) *ACTIONS BY STATE OFFICIALS.—*

1 “(1) *Nothing contained in this section shall pro-*
 2 *hibit an attorney general of a State or other author-*
 3 *ized State official from proceeding in State court on*
 4 *the basis of an alleged violation of any civil or crimi-*
 5 *nal statute of such State.*”

6 “(2) *In addition to actions brought by an attor-*
 7 *ney general of a State under subsection (a), such an*
 8 *action may be brought by officers of such State who*
 9 *are authorized by the State to bring actions in such*
 10 *State on behalf of its residents.*”

11 **(b) CONFORMING AMENDMENT.**—*The table of chapters*
 12 *for part C at the beginning of subtitle VI of title 49, United*
 13 *States Code, is amended by inserting at the end the follow-*
 14 *ing new item:*

 “333. *Automobile safety and title disclosure requirements* 33301”.

15 **SEC. 3. AMENDMENTS TO CHAPTER 305.**

16 **(a) DEFINITIONS.**—

17 (1) *Amend section 30501(4) of title 49, United*
 18 *States Code, to read as follows:*

19 “(4) *‘nonrepairable vehicle’, ‘salvage vehicle’, and*
 20 *‘rebuilt salvage vehicle’ have the same meanings given*
 21 *those terms in section 33301 of this title.*”

22 (2) *Amend section 30501(5) of title 49, United*
 23 *States Code, by striking “junk automobiles” and in-*
 24 *serting “nonrepairable vehicles”.*

1 (3) Amend section 30501(8) by striking “salvage
2 automobiles” and inserting “salvage vehicles”.

3 (4) Strike paragraph (7) of section 30501 of title
4 49, United States Code, and renumber the succeeding
5 sections accordingly.

6 (b) NATIONAL MOTOR VEHICLE TITLE INFORMATION
7 SYSTEM.—

8 (1) Amend section 30502(d)(3) of title 49,
9 United States Code, to read as follows:

10 “(3) whether an automobile known to be titled in
11 a particular State is or has been a nonrepairable ve-
12 hicle, a rebuilt salvage vehicle, or a salvage vehicle;”.

13 (2) Amend section 30502(d)(5) of title 49,
14 United States Code, to read as follows:

15 “(5) whether an automobile bearing a known ve-
16 hicle identification number has been reported as a
17 nonrepairable vehicle, a rebuilt salvage vehicle, or a
18 salvage vehicle under section 30504 of this title.”.

19 (c) STATE PARTICIPATION.—Amend section 30503 of
20 title 49, United States Code, to read as follows:

21 **“§ 30503. State participation**

22 “(a) STATE INFORMATION.—Each State receiving
23 funds appropriated under subsection (c) shall make titling
24 information maintained by that State available for use in
25 operating the National Motor Vehicle Title Information

1 *System established or designated under section 30502 of this*
2 *title.*

3 “(b) *VERIFICATION CHECKS.—Each State receiving*
4 *funds appropriated under subsection (c) shall establish a*
5 *practice of performing an instant title verification check be-*
6 *fore issuing a certificate of title to an individual or entity*
7 *claiming to have purchased an automobile from an individ-*
8 *ual or entity in another State. The check shall consist of—*

9 “(1) *communicating to the operator—*

10 “(A) *the vehicle identification number of the*
11 *automobile for which the certificate of title is*
12 *sought;*

13 “(B) *the name of the State that issued the*
14 *most recent certificate of title for the automobile;*
15 *and*

16 “(C) *the name of the individual or entity to*
17 *whom the certificate of title was issued; and*

18 “(2) *giving the operator an opportunity to com-*
19 *municate to the participating State the results of a*
20 *search of the information.*

21 “(c) *GRANTS TO STATES.—*

22 “(1) *In cooperation with the States and not later*
23 *than January 1, 1994, the Attorney General shall—*

1 “(A) conduct a review of systems used by
2 the States to compile and maintain information
3 about the titling of automobiles; and

4 “(B) determine for each State the cost of
5 making titling information maintained by that
6 State available to the operator to meet the re-
7 quirements of section 30502(d) of this title.

8 “(2) The Attorney General may make reasonable
9 and necessary grants to participating States to be
10 used in making titling information maintained by
11 those States available to the operator.

12 “(d) REPORT TO CONGRESS.—Not later than October
13 1, 1998, the Attorney General shall report to Congress on
14 which States have met the requirements of this section. If
15 a State has not met the requirements, the Attorney General
16 shall describe the impediments that have resulted in the
17 State’s failure to meet the requirements.”.

18 (d) REPORTING REQUIREMENTS.—Section 30504 of
19 title 49, United States Code, is amended by striking “junk
20 automobiles or salvage automobiles” every place it appears
21 and inserting “nonrepairable vehicles, rebuilt salvage vehi-
22 cles, or salvage vehicles”.