

103^D CONGRESS
1ST SESSION

S. 1232

To amend the Motor Vehicle Information and Cost Savings Act to require the establishment of Federal requirements regarding the disclosure and reporting of salvage vehicles and manufacturer buyback vehicles.

IN THE SENATE OF THE UNITED STATES

JULY 15 (legislative day, JUNE 30), 1993

Mr. GORTON introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To amend the Motor Vehicle Information and Cost Savings Act to require the establishment of Federal requirements regarding the disclosure and reporting of salvage vehicles and manufacturer buyback 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 referred to as the “Used Car
5 Consumer Notification and Reporting Act”.

6 **SEC. 2. FINDINGS.**

7 The Congress makes the following findings:

1 (1) Many States do not have specific require-
2 ments regarding the disclosure of a motor vehicle's
3 history and even fewer States require that the motor
4 vehicle's title be stamped or branded to indicate that
5 it is a salvage vehicle or a manufacturer buyback
6 vehicle.

7 (2) The State disclosure requirements that do
8 exist regarding a motor vehicle's history are incon-
9 sistent with one another in scope and language, re-
10 quire the use of various and different forms and ad-
11 ministrative procedures, and are duplicative, burden-
12 some on interstate commerce, and confusing to con-
13 sumers.

14 (3) The fact that a motor vehicle is a salvage
15 vehicle or a manufacturer buyback vehicle is mate-
16 rial to any subsequent sale of the vehicle.

17 (4) Many salvage vehicles and manufacturer
18 buyback vehicles are subsequently resold at auction
19 or by used motor vehicle dealers and thus recycled
20 back into the marketplace, back onto the streets,
21 and back into repair shops.

22 (5) Rebuilt motor vehicles may not have passed
23 a rigorous safety inspection and may pose a safety
24 risk, according to the National Highway Traffic
25 Safety Administration, and consumers who unknow-

1 “(A) an order or judgment by a court of
2 law; or an agreement between the parties to set-
3 tle before trial; or

4 “(B) a decision by a formal, informal, or
5 mandatory arbitration procedure;

6 “(4) SALVAGE VEHICLE.—The term ‘salvage ve-
7 hicle’ means a motor vehicle that has been issued a
8 title in any State bearing any word or symbol sig-
9 nifying that the motor vehicle is a ‘salvage’, ‘junk’,
10 ‘reconstructed’, or ‘rebuilt’ motor vehicle, or that the
11 motor vehicle has been severely damaged by flood.

12 “(5) SECRETARY.—The term ‘Secretary’ means
13 the Secretary of Transportation.

14 “(6) STATE.—The term ‘State’ means each of
15 the several States of the United States, the District
16 of Columbia, and the Commonwealth of Puerto Rico.

17 **“SEC. 702. DISCLOSURE REQUIREMENTS.**

18 “(a) REGULATIONS.—The Secretary shall promulgate
19 regulations, which shall become effective not later than
20 180 days after the date of the enactment of this title, that
21 establish uniform Federal requirements, as provided in
22 subsection (b), regarding the disclosure to consumers that
23 a motor vehicle is a salvage vehicle or a manufacturer
24 buyback vehicle.

1 “(b) SPECIFIC REQUIREMENTS.—In carrying out the
2 provisions of subsection (a), the Secretary shall—

3 “(1) prescribe the form and content of a na-
4 tional uniform certificate of title that discloses that
5 a motor vehicle sold on or after the effective date of
6 such regulations is a salvage vehicle or a manufac-
7 turer buyback vehicle;

8 “(2) prescribe the form and content of a na-
9 tional uniform sticker, to be affixed, prior to the sale
10 of the motor vehicle, to the windshield of a salvage
11 vehicle or a manufacturer buyback vehicle sold on or
12 after the effective date of such regulations, which
13 discloses that the motor vehicle is a salvage vehicle
14 or a manufacturer buyback vehicle;

15 “(3) prescribe the form and content of a na-
16 tional uniform consumer disclosure statement that—

17 “(A) includes the motor vehicle make,
18 model, year, vehicle identification number, and
19 any prior title numbers and prior States of title;
20 and

21 “(B) discloses that a motor vehicle sold on
22 or after the effective date of the regulations
23 promulgated pursuant to this section is (accord-
24 ing to records available to the State issuing the
25 certificate of title, including records from any

1 State in which a certificate of title has pre-
2 viously been issued for such motor vehicle) a
3 salvage vehicle or a manufacturer buyback vehi-
4 cle and the reason for such designation;

5 “(4) provide that a motor vehicle, the ownership
6 of which is transferred on or after the effective date
7 of the regulation, may not be licensed for use in any
8 State unless the State discloses in writing on the
9 certificate of title whether records readily accessible
10 to the State indicate whether the vehicle is a salvage
11 vehicle or a manufacturer buyback vehicle; and

12 “(5) provide for a civil penalty, not to exceed
13 \$10,000, which shall be assessed by the Secretary
14 for each violation of a regulation promulgated by the
15 Secretary pursuant to this section.

16 **“SEC. 703. UNFAIR TRADE PRACTICE.**

17 “A violation of any regulation promulgated by the
18 Secretary pursuant to section 4 shall be deemed an unfair
19 or deceptive act or practice for purposes of section 5(a)(1)
20 of the Federal Trade Commission Act.

21 **“SEC. 704. EFFECT ON STATE LAW.**

22 “Effective on the date the regulations promulgated
23 pursuant to section 4 become effective, the provisions of
24 this title shall supersede any provision of the law of any
25 State relating to the disclosure of whether a motor vehicle

1 is a salvage vehicle or manufacturer buyback vehicle to
2 the extent that the provision of State law is inconsistent
3 with the provisions of this title or a regulation promul-
4 gated pursuant to this title.”.

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