

104TH CONGRESS  
2D SESSION

# S. 2030

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

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## IN THE SENATE OF THE UNITED STATES

AUGUST 2, 1996

Mr. LOTT (for himself and Mr. EXON) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

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## A BILL

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

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, Antitheft, Title Reform, and Consumer Protection  
6       Act of 1996”.

7       **SEC. 2. FINDINGS.**

8       The Congress finds that—

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1           (1) many States do not have specific require-  
2           ments regarding the disclosure of the salvage history  
3           of a motor vehicle and some States never require  
4           that the title to a motor vehicle be stamped or  
5           branded to indicate that the motor vehicle is, or has  
6           been, a salvage vehicle;

7           (2) as of the date of enactment of this Act,  
8           State disclosure requirements regarding the salvage  
9           history of a motor vehicle—

10                   (A) are inconsistent in scope and content;

11                   (B) require the use of different forms and  
12           administrative procedures;

13                   (C) will undercut the effectiveness of the  
14           National Automobile Title Information System  
15           created by the Anti Car Theft Act of 1992;

16                   (D) are burdensome on interstate com-  
17           merce; and

18                   (E) do not provide a significant deterrent  
19           to unscrupulous sellers of rebuilt vehicles who  
20           mislead potential wholesale and retail buyers  
21           concerning the condition and value of such vehi-  
22           cles;

23           (3) the fact that a motor vehicle is salvage,  
24           nonrepairable, water damaged, or rebuilt after incur-

1 ring substantial damage is material in any subse-  
2 quent purchase or sale of that motor vehicle;

3 (4) some salvage and nonrepairable vehicles be-  
4 come involved in illegal commerce in stolen vehicles  
5 and parts;

6 (5) in some jurisdictions, the lack of theft in-  
7 spections prior to allowing a rebuilt motor vehicle  
8 back on the road provides an opportunity for an un-  
9 scrupulous person to use stolen parts in the rebuild-  
10 ing of motor vehicles;

11 (6) according to the National Highway Traffic  
12 Safety Administration, rebuilt motor vehicles—

13 (A) may not have passed any safety inspec-  
14 tion; and

15 (B) may pose a public safety risk and con-  
16 sumers who unknowingly buy rebuilt motor ve-  
17 hicles face an increased risk of death or serious  
18 injury;

19 (7) statistics prepared by the American Associa-  
20 tion of Motor Vehicle Administrators indicate that  
21 71 percent of the States require some form of safety  
22 inspection before a rebuilt salvage vehicle may be  
23 registered for use on the road;

24 (8) the promulgation of a safety inspection pro-  
25 gram by the Secretary of Transportation may assist

1 the States in expanding and standardizing their in-  
2 spection programs for rebuilt vehicles;

3 (9) duplicate or replacement titles play an im-  
4 portant role in many vehicle thefts and various types  
5 of vehicle fraud;

6 (10) State controls on the issuance of such ti-  
7 tles must therefore be strengthened and made uni-  
8 form across the United States;

9 (11) large quantities of motor vehicles are ex-  
10 ported from United States ports to foreign countries  
11 without proper documentation of ownership in viola-  
12 tion of applicable law; and

13 (12) in view of the threats to public safety and  
14 consumer interests described in paragraphs (1)  
15 through (10), the Motor Vehicle Titling, Registra-  
16 tion and Salvage Advisory Committee, which was  
17 convened by the Secretary of Transportation under  
18 section 140(a) of the Anti Car Theft Act of 1992  
19 (15 U.S.C. 2041 note), recommended that—

20 (A) Federal laws be enacted to require cer-  
21 tain definitions to be used nationwide to de-  
22 scribe seriously damaged vehicles; and

23 (B) all States be required to—

- 1 (i) use the definitions referred to in  
 2 subparagraph (A) in determining appro-  
 3 priate title designations;  
 4 (ii) use certain motor vehicle titling  
 5 and control methods; and  
 6 (iii) take certain other measures to  
 7 protect the integrity of the titling process.

8 **SEC. 3. MOTOR VEHICLE TITLING AND DISCLOSURE RE-**  
 9 **QUIREMENTS.**

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

13 **“CHAPTER 333—AUTOMOBILE SAFETY,**  
 14 **ANTITHEFT, AND TITLE DISCLOSURE**  
 15 **REQUIREMENTS**

“Sec.

“33301. Definitions.

“33302. Passenger motor vehicle titling.

“33303. Petitions for extensions of time.

“33304. Effect on State law.

“33305. Civil and criminal penalties.

16 **“§ 33301. Definitions**

17 “For the purposes of this chapter the following defi-  
 18 nitions and requirements shall apply:

19 “(1) PASSENGER MOTOR VEHICLE.—

20 “(A) IN GENERAL.—The term ‘passenger  
 21 motor vehicle’ means any vehicle driven or  
 22 drawn by mechanical power manufactured pri-

marily for use on the public streets, roads, and highways.

“(B) PASSENGER MOTOR VEHICLES AND LIGHT TRUCKS INCLUDED.—Such term includes a multipurpose passenger vehicle or light duty truck if the vehicle or truck is rated at not more than 7,500 pounds gross vehicle weight.

“(C) MOTORCYCLES NOT INCLUDED.—Such term does not include a motorcycle.

“(2) SALVAGE VEHICLE.—

“(A) IN GENERAL.—Subject to subparagraph (E), the term ‘salvage vehicle’ means any passenger motor vehicle that has been wrecked, destroyed, or damaged to the extent that the total estimated or actual cost of parts and labor to rebuild or reconstruct the passenger motor vehicle to its preaccident condition for legal operation on the roads or highways exceeds 75 percent of the retail value of the passenger motor vehicle, as set forth in the most recent edition of any nationally recognized compilation (including automated databases) of current retail values that is approved by the Secretary.

“(B) VEHICLES EXCLUDED.—Such term does not include any passenger motor vehicle

1 that has a model year designation of a calendar  
2 year that precedes that calendar year in which  
3 the vehicle was wrecked, destroyed, or damaged  
4 by 5 or more years.

5 “(C) DETERMINATION OF VALUE OF RE-  
6 PAIR PARTS.—For purposes of subparagraph  
7 (B), the value of repair parts shall be deter-  
8 mined by using—

9 “(i) the published retail cost of the  
10 original equipment manufacturer parts; or

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

13 “(D) DETERMINATION OF LABOR COSTS.—  
14 For purposes of subparagraph (B), the labor  
15 cost of repairs shall be computed by using the  
16 hourly labor rate and time allocations that are  
17 reasonable and customary in the automobile re-  
18 pair industry in the community in which the re-  
19 pairs are performed.

20 “(E) CERTAIN VEHICLES INCLUDED.—The  
21 term ‘passenger vehicle’ includes, without re-  
22 gard to whether the passenger motor vehicle  
23 meets the 75 percent threshold specified in sub-  
24 paragraph (B)—

1 “(i) any passenger motor vehicle with  
 2 respect to which an insurance company ac-  
 3 quires ownership under a damage settle-  
 4 ment (except for a settlement in connection  
 5 with a recovered theft vehicle that did not  
 6 sustain a sufficient degree of damage to  
 7 meet the 75 percent threshold specified in  
 8 subparagraph (B)); or

9 “(ii) any passenger motor vehicle that  
 10 an owner may wish to designate as a sal-  
 11 vage vehicle by obtaining a salvage title,  
 12 without regard to the extent of the damage  
 13 and repairs.

14 “(F) SPECIAL RULE.—A designation of a  
 15 passenger motor vehicle by an owner under sub-  
 16 paragraph (E)(ii) shall not impose any obliga-  
 17 tion on—

18 “(i) the insurer of the passenger  
 19 motor vehicle; or

20 “(ii) an insurer processing a claim  
 21 made by or on behalf of the owner of the  
 22 passenger motor vehicle.

23 “(3) SALVAGE TITLE.—

24 “(A) IN GENERAL.—The term ‘salvage  
 25 title’ means a passenger motor vehicle owner-



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

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

6 “(C) PROHIBITION.—The salvage vehicle  
7 may not be registered for use on the roads or  
8 highways unless the salvage vehicle has been is-  
9 sued a rebuilt salvage title.

10 “(D) REQUIREMENT FOR A REBUILT SAL-  
11 VAGE TITLE.—A salvage title shall be conspicu-  
12 ously labeled with the word ‘salvage’ across the  
13 front of the document.

14 “(4) REBUILT SALVAGE VEHICLE.—The term  
15 ‘rebuilt salvage vehicle’ means—

16 “(A) for passenger motor vehicles subject  
17 to a safety inspection in a State that requires  
18 such an inspection under section  
19 33302(b)(2)(H), any passenger motor vehicle  
20 that has—

21 “(i) been issued previously a salvage  
22 title;

23 “(ii) passed applicable State antitheft  
24 inspection;

1 “(iii) been issued a certificate indicat-  
2 ing that the passenger motor vehicle has—

3 “(I) passed the antitheft inspec-  
4 tion referred to in clause (ii); and

5 “(II) been issued a certificate in-  
6 dicating that the passenger motor ve-  
7 hicle has passed a required safety in-  
8 spection under section  
9 33302(b)(2)(H); and

10 “(iv) affixed to the door jamb adja-  
11 cent to the driver’s seat a decal stating  
12 ‘Rebuilt Salvage Vehicle—Antitheft and  
13 Safety Inspections Passed’; or

14 “(B) for passenger motor vehicles in a  
15 State other than a State referred to in subpara-  
16 graph (A), any passenger motor vehicle that  
17 has—

18 “(i) been issued previously a salvage  
19 title;

20 “(ii) passed an applicable State  
21 antitheft inspection;

22 “(iii) been issued a certificate indicat-  
23 ing that the passenger motor vehicle has  
24 passed the required antitheft inspection re-  
25 ferred to in clause (ii); and

1           “(iv) affixed to the door jamb adja-  
2           cent to the driver’s seat, a decal stating  
3           ‘Rebuilt Salvage Vehicle—Antitheft Inspec-  
4           tion Passed/No Safety Inspection Pursuant  
5           to National Criteria’.

6           “(5) REBUILT SALVAGE TITLE.—

7           “(A) IN GENERAL.—The term ‘rebuilt sal-  
8           vage title’ means the passenger motor vehicle  
9           ownership document issued by a State to the  
10          owner of a rebuilt salvage vehicle.

11          “(B) TRANSFER OF OWNERSHIP.—Owner-  
12          ship of a rebuilt salvage vehicle may be trans-  
13          ferred on a rebuilt salvage title.

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

18          “(D) REQUIREMENT FOR SALVAGE  
19          TITLE.—A rebuilt salvage title shall be con-  
20          spicuously labeled, either with ‘Rebuilt Salvage  
21          Vehicle—Antitheft and Safety Inspections  
22          Passed’ or ‘Rebuilt Salvage Vehicle—Antitheft  
23          Inspection Passed/No Safety Inspection Pursu-  
24          ant to National Criteria’, as appropriate, across  
25          the front of the document.

1 “(6) NONREPAIRABLE VEHICLE.—

2 “(A) IN GENERAL.—The term ‘nonrepair-  
3 able vehicle’ means any passenger motor vehicle  
4 that—

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

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

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

11 “(B) CERTIFICATE.—Each nonrepairable  
12 vehicle shall be issued a nonrepairable vehicle  
13 certificate.

14 “(7) NONREPAIRABLE VEHICLE CERTIFI-  
15 CATE.—

16 “(A) IN GENERAL.—The term ‘nonrepair-  
17 able vehicle certificate’ means a passenger  
18 motor vehicle ownership document issued by the  
19 State to the owner of a nonrepairable vehicle.

20 “(B) TRANSFER OF OWNERSHIP.—Owner-  
21 ship of the passenger motor vehicle may be  
22 transferred not more than 2 times on a non-  
23 repairable vehicle certificate.

24 “(C) PROHIBITION.—A nonrepairable vehi-  
25 cle that is issued a nonrepairable vehicle certifi-

1           cate may not be titled or registered for use on  
2           roads or highways at any time after the issu-  
3           ance of the certificate.

4           “(D) REQUIREMENT FOR NONREPAIRABLE  
5           VEHICLE CERTIFICATE.—A nonrepairable vehi-  
6           cle certificate shall be conspicuously labeled  
7           with the term ‘Nonrepairable’ across the front  
8           of the document.

9           “(8) FLOOD VEHICLE.—

10           “(A) IN GENERAL.—The term ‘flood vehi-  
11           cle’ means any passenger motor vehicle that has  
12           been submerged in water to the point that ris-  
13           ing water has reached over the door sill of the  
14           motor vehicle and has entered the passenger or  
15           trunk compartment.

16           “(B) REQUIREMENT FOR DISCLOSURE.—  
17           Disclosure that a passenger motor vehicle has  
18           become a flood vehicle shall be made by the per-  
19           son transferring ownership at the time of trans-  
20           fer of ownership. After such transfer is com-  
21           pleted, the certificate of title shall be conspicu-  
22           ously labeled with the term ‘flood’ across the  
23           front of the document.

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

1 **“§ 33302. Passenger motor vehicle titling**

2 “(a) CARRYFORWARD OF CERTAIN TITLE INFORMA-  
3 TION IF A PREVIOUS TITLE WAS NOT ISSUED IN ACCORD-  
4 ANCE WITH CERTAIN NATIONALLY UNIFORM STAND-  
5 ARDS.—

6 “(1) IN GENERAL.—If—

7 “(A) records that are readily accessible to  
8 a State indicate that a passenger motor vehicle  
9 with respect to which the ownership is trans-  
10 ferred on or after the date that is 1 year after  
11 the date of enactment of the National Motor  
12 Vehicle Safety, Antitheft, Title Reform, and  
13 Consumer Protection Act of 1996, has been is-  
14 sued previously a title that bore a term or sym-  
15 bol described in paragraph (2); and

16 “(B) the State licenses that vehicle for use,  
17 the State shall disclose that fact on a certificate of  
18 title issued by the State.

19 “(2) TERMS AND SYMBOLS.—

20 “(A) IN GENERAL.—A State shall be sub-  
21 ject to the requirements of paragraph (1) with  
22 respect to the following terms on a title that  
23 has been issued previously to a passenger motor  
24 vehicle (or symbols indicating the meanings of  
25 those terms):

26 “(i) ‘Salvage’.

1 “(ii) ‘Unrebuildable’.

2 “(iii) ‘Parts only’.

3 “(iv) ‘Scrap’.

4 “(v) ‘Junk’.

5 “(vi) ‘Nonrepairable’.

6 “(vii) ‘Reconstructed’.

7 “(viii) ‘Rebuilt’.

8 “(ix) Any other similar term, as deter-  
9 mined by the Secretary.

10 “(B) FLOOD DAMAGE.—A State shall be  
11 subject to the requirements of paragraph (1) if  
12 a term or symbol on a title issued previously for  
13 a passenger vehicle indicates that the vehicle  
14 has been damaged by flood.

15 “(b) NATIONALLY UNIFORM TITLE STANDARDS AND  
16 CONTROL METHODS.—

17 “(1) IN GENERAL.—Not later than 18 months  
18 after the date of the enactment of the National  
19 Motor Vehicle Safety, Antitheft, Title Reform, and  
20 Consumer Protection Act of 1996, the Secretary  
21 shall issue regulations that require each State that  
22 licenses passenger motor vehicles with respect to  
23 which the ownership is transferred on or after the  
24 date that is 2 years after the issuance of final regu-  
25 lations, to apply with respect to the issuance of the

1 title for any such motor vehicle uniform standards,  
2 procedures, and methods for—

3 “(A) the issuance and control of that title;  
4 and

5 “(B) information to be contained on such  
6 title.

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

11 “(A) INDICATION OF STATUS.—Each State  
12 shall indicate on the face of a title or certificate  
13 for a passenger motor vehicle, as applicable, if  
14 the passenger motor vehicle is a salvage vehicle,  
15 a nonrepairable vehicle, a rebuilt salvage vehi-  
16 cle, or a flood vehicle.

17 “(B) SUBSEQUENT TITLES.—The informa-  
18 tion referred to in subparagraph (A) concerning  
19 the status of the passenger vehicle shall be con-  
20 veyed on any subsequent title, including a du-  
21 plicate or replacement title, for the passenger  
22 motor vehicle issued by the original titling State  
23 or any other State.

24 “(C) SECURITY STANDARDS.—The title  
25 documents, the certificates and decals required



1 by section 33301(4), and the system for issuing  
2 those documents, certificates, and decals shall  
3 meet security standards that minimize opportu-  
4 nities for fraud.

5 “(D) IDENTIFYING INFORMATION.—Each  
6 certificate of title referred to in subparagraph  
7 (A) shall include the passenger motor vehicle  
8 make, model, body type, year, odometer disclo-  
9 sure, and vehicle identification number.

10 “(E) UNIFORM LAYOUT.—The title docu-  
11 ments covered under the regulations shall main-  
12 tain a uniform layout, that shall be established  
13 by the Secretary, in consultation with each  
14 State or an organization that represents States.

15 “(F) NONREPAIRABLE VEHICLES.—A pas-  
16 senger motor vehicle designated as nonrepair-  
17 able—

18 “(i) shall be issued a nonrepairable  
19 vehicle certificate; and

20 “(ii) may not be retitled.

21 “(G) REBUILT SALVAGE TITLE.—No re-  
22 built salvage title may be issued to a salvage ve-  
23 hicle unless, after the salvage vehicle is repaired  
24 or rebuilt, the salvage vehicle complies with the

1 requirements for a rebuilt salvage vehicle under  
2 section 33301(4).

3 “(H) INSPECTION PROGRAMS.—Each State  
4 inspection program shall be designed to comply  
5 with the requirements of this subparagraph and  
6 shall be subject to approval and periodic review  
7 by the Secretary. Each such inspection program  
8 shall include the following:

9 “(i) Each owner of a passenger motor  
10 vehicle that submits a vehicle for an  
11 antitheft inspection shall be required to  
12 provide—

13 “(I) a completed document iden-  
14 tifying the damage that occurred to  
15 the vehicle before being repaired;

16 “(II) a list of replacement parts  
17 used to repair the vehicle;

18 “(III) proof of ownership of the  
19 replacement parts referred to in sub-  
20 clause (II) (as evidenced by bills of  
21 sale, invoices or, if such documents  
22 are not available, other proof of own-  
23 ership for the replacement parts); and

24 “(IV) an affirmation by the  
25 owner that—

1                   “(aa) the information re-  
2                   quired to be submitted under this  
3                   subparagraph is complete and ac-  
4                   curate; and

5                   “(bb) to the knowledge of  
6                   the declarant, no stolen parts  
7                   were used during the rebuilding  
8                   of the repaired vehicle.

9                   “(ii) Any passenger motor vehicle or  
10                  any major part or major replacement part  
11                  required to be marked under this section  
12                  or the regulations issued under this section  
13                  that—

14                  “(I) has a mark or vehicle identi-  
15                  fication number that has been illegally  
16                  altered, defaced, or falsified; or

17                  “(II) cannot be identified as hav-  
18                  ing been legally obtained (through evi-  
19                  dence described in clause (i)(III)),  
20                  shall be contraband and subject to seizure.

21                  “(iii) To avoid confiscation of parts  
22                  that have been legally rebuilt or manufac-  
23                  tured, the regulations issued under this  
24                  subsection shall include procedures that  
25                  the Secretary, in consultation with the At-

1           torney General of the United States, shall  
2           establish—

3                       “(I) for dealing with parts with a  
4                       mark or vehicle identification number  
5                       that is normally removed during re-  
6                       manufacturing or rebuilding practices  
7                       that are considered acceptable by the  
8                       automotive industry; and

9                       “(II) deeming any part referred  
10                      to in clause (i) to meet the identifica-  
11                      tion requirements under the regula-  
12                      tions if the part bears a conspicuous  
13                      mark of such type, and is applied in  
14                      such manner, as may be determined  
15                      by the Secretary to indicate that the  
16                      part has been rebuilt or remanufac-  
17                      tured.

18                     “(iv) With respect to any vehicle part,  
19                     the regulations issued under this sub-  
20                     section shall—

21                       “(I) acknowledge that a mark or  
22                       vehicle identification number on such  
23                       part may be legally removed or al-  
24                       tered, as provided under section 511  
25                       of title 18, United States Code; and

1                   “(II) direct inspectors to adopt  
2                   such procedures as may be necessary  
3                   to prevent the seizure of a part from  
4                   which the mark or vehicle identifica-  
5                   tion number has been legally removed  
6                   or altered.

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

20                  “(I) DUPLICATE TITLES.—No duplicate or  
21                  replacement title may be issued by a State un-  
22                  less—

23                         “(i) the term ‘duplicate’ is clearly  
24                         marked on the face of the duplicate or re-  
25                         placement title; and

1 “(ii) the procedures issued are sub-  
2 stantially consistent with the recommenda-  
3 tion designated as recommendation 3 in  
4 the report issued on February 10, 1994,  
5 under section 140 of the Anti Car Theft  
6 Act of 1992 (15 U.S.C. 2041 note) by the  
7 task force established under such section.

8 “(J) TITLING AND CONTROL METHODS.—

9 Each State shall employ the following titling  
10 and control methods:

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

19 “(I) on which the passenger  
20 motor vehicle is repaired or the own-  
21 ership of the passenger motor vehicle  
22 is transferred; or

23 “(II) that is 30 days after the  
24 passenger motor vehicle is damaged.

1           “(ii) If an insurance company, under  
2           a damage settlement, acquires ownership  
3           of a passenger motor vehicle that has in-  
4           curred damage requiring the vehicle to be  
5           titled as a salvage vehicle or nonrepairable  
6           vehicle, the insurance company shall be re-  
7           quired to apply for a salvage title or non-  
8           repairable vehicle certificate not later than  
9           15 days after the title to the motor vehicle  
10          is—

11                   “(I) properly assigned by the  
12                   owner to the insurance company; and

13                   “(II) delivered to the insurance  
14                   company with all liens released.

15           “(iii) If an insurance company does  
16           not assume ownership of a passenger  
17           motor vehicle of an insured person or  
18           claimant that has incurred damage requir-  
19           ing the vehicle to be titled as a salvage ve-  
20           hicle or nonrepairable vehicle, the insur-  
21           ance company shall, as required by the ap-  
22           plicable State—

23                   “(I) notify—

24                           “(aa) the owner of the own-  
25                           er’s obligation to apply for a sal-

1 vage title or nonrepairable vehicle  
2 certificate for the passenger  
3 motor vehicle; and

4 “(bb) the State passenger  
5 motor vehicle titling office that a  
6 salvage title or nonrepairable ve-  
7 hicle certificate should be issued  
8 for the vehicle; or

9 “(II) withhold payment of the  
10 claim until the owner applies for a  
11 salvage title or nonrepairable vehicle  
12 certificate.

13 “(iv) If a leased passenger motor vehi-  
14 cle incurs damage requiring the vehicle to  
15 be titled as a salvage vehicle or nonrepair-  
16 able vehicle, the lessor shall be required to  
17 apply for a salvage title or nonrepairable  
18 vehicle certificate not later than 21 days  
19 after being notified by the lessee that the  
20 vehicle has been so damaged, except in any  
21 case in which an insurance company, under  
22 a damage settlement, acquires ownership  
23 of the vehicle. The lessee of such vehicle  
24 shall be required to inform the lessor that  
25 the leased vehicle has been so damaged not



1 later than 30 days after the occurrence of  
2 the damage.

3 “(v)(I) Any person who acquires own-  
4 ership of a damaged passenger motor vehi-  
5 cle that meets the definition of a salvage or  
6 nonrepairable vehicle for which a salvage  
7 title or nonrepairable vehicle certificate has  
8 not been issued, shall be required to apply  
9 for a salvage title or nonrepairable vehicle  
10 certificate, whichever is applicable.

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

13 “(aa) the date on which the vehi-  
14 cle is further transferred; or

15 “(bb) 30 days after ownership is  
16 acquired.

17 “(III) The requirements of this clause  
18 shall not apply to any scrap metal proc-  
19 essor that—

20 “(aa) acquires a passenger motor  
21 vehicle for the sole purpose of process-  
22 ing the motor vehicle into prepared  
23 grades of scrap; and

24 “(bb) carries out that processing.

1 “(vi) State records shall note when a  
2 nonrepairable vehicle certificate is issued.  
3 No State shall issue a nonrepairable vehi-  
4 cle certificate after 2 transfers of owner-  
5 ship in violation of section 33301(b)(7)(B).

6 “(vii)(I) In any case in which a pas-  
7 senger motor vehicle has been flattened,  
8 baled, or shredded, whichever occurs first,  
9 the title or nonrepairable vehicle certificate  
10 for the vehicle shall be surrendered to the  
11 State not later than 30 days after that oc-  
12 currence.

13 “(II) If the second transferee on a  
14 nonrepairable vehicle certificate is  
15 unequipped to flatten, bale, or shred the  
16 vehicle, such transferee shall be required,  
17 at the time of final disposal of the vehicle,  
18 to use the services of a professional auto-  
19 motive recycler or professional scrap proc-  
20 essor. That recycler or reprocessor shall  
21 have the authority to—

22 “(aa) flatten, bale, or shred the  
23 vehicle; and

24 “(bb) effect the surrender of the  
25 nonrepairable vehicle certificate to the

1 State on behalf of the second trans-  
2 feree.

3 “(III) State records shall be updated  
4 to indicate the destruction of a vehicle  
5 under this clause and no further ownership  
6 transactions for the vehicle shall be per-  
7 mitted after the vehicle is so destroyed.

8 “(IV) If different from the State of  
9 origin of the title or nonrepairable vehicle  
10 certificate, the State of surrender shall no-  
11 tify the State of origin of the surrender of  
12 the title or nonrepairable vehicle certificate  
13 and of the destruction of such vehicle.

14 “(viii)(I) In any case in which a sal-  
15 vage title is issued, the State records shall  
16 note that issuance. No State may permit  
17 the retitling for registration purposes or is-  
18 suance of a rebuilt salvage title for a pas-  
19 senger motor vehicle with a salvage title  
20 without a certificate of inspection that—

21 “(aa) complies with the security  
22 and guideline standards established by  
23 the Secretary under subparagraphs  
24 (C) and (G), as applicable; and

1                   “(bb) indicates that the vehicle  
2                   has passed the inspections required by  
3                   the State under subparagraph (H).

4                   “(II) Nothing in this clause shall pre-  
5                   clude the issuance of a new salvage title  
6                   for a salvage vehicle after a transfer of  
7                   ownership.

8                   “(ix) After a passenger motor vehicle  
9                   titled with a salvage title has passed the  
10                  inspections required by the State, the in-  
11                  spection official shall—

12                  “(I) affix a secure decal required  
13                  under section 33301(4) (that meets  
14                  permanency requirements that the  
15                  Secretary shall establish by regula-  
16                  tion) to the door jamb on the driver’s  
17                  side of the vehicle; and

18                  “(II) issue to the owner of the  
19                  vehicle a certificate indicating that the  
20                  passenger motor vehicle has passed  
21                  the inspections required by the State.

22                  “(x)(I) The owner of a passenger  
23                  motor vehicle titled with a salvage title  
24                  may obtain a rebuilt salvage title and vehi-  
25                  cle registration by presenting to the State

1 the salvage title, properly assigned, if ap-  
2 plicable, along with the certificate that the  
3 vehicle has passed the inspections required  
4 by the State.

5 “(II) If the owner of a rebuilt salvage  
6 vehicle submits the documentation referred  
7 to in subclause (I), the State shall issue  
8 upon the request of the owner a rebuilt  
9 salvage title and registration to the owner.  
10 When a rebuilt salvage title is issued, the  
11 State records shall so note.

12 “(K) FLOOD VEHICLES.—

13 “(i) IN GENERAL.—A seller of a pas-  
14 senger motor vehicle that becomes a flood  
15 vehicle shall, at or before the time of trans-  
16 fer of ownership, provide a written notice  
17 to the purchaser that the vehicle is a flood  
18 vehicle. At the time of the next title appli-  
19 cation for the vehicle—

20 “(I) the applicant shall disclose  
21 the flood status to the applicable  
22 State with the properly assigned title;  
23 and

1                   “(II) the term ‘Flood’ shall be  
2                   conspicuously labeled across the front  
3                   of the new title document.

4                   “(ii) LEASED VEHICLES.—In the case  
5                   of a leased passenger motor vehicle, the  
6                   lessee, within 15 days after the occurrence  
7                   of the event that caused the vehicle to be-  
8                   come a flood vehicle, shall give the lessor  
9                   written disclosure that the vehicle is a  
10                  flood vehicle.

11               “(c) ELECTRONIC PROCEDURES.—A State may em-  
12               ploy electronic procedures in lieu of paper documents in  
13               any case in which such electronic procedures provide levels  
14               of information, function, and security required by this sec-  
15               tion that are at least equivalent to the levels otherwise pro-  
16               vided by paper documents.

17       **“§ 33303. Petitions for extensions of time**

18               “(a) IN GENERAL.—Subject to subsection (b), if a  
19               State demonstrates to the satisfaction of the Secretary,  
20               a valid reason for needing an extension of a deadline for  
21               compliance with requirements under section 33302(a), the  
22               Secretary may extend, for a period determined by the Sec-  
23               retary, an otherwise applicable deadline with respect to  
24               that State.

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

4   **“§ 33304. Effect on State law**

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

11           “(1) establish the form of the passenger motor  
 12 vehicle title;

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

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

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

22           “(B) apply any of the terms referred to in sub-  
 23 paragraph (A) to any passenger motor vehicle (but  
 24 not in connection with a passenger motor vehicle

1 part or part assembly separate from a passenger  
 2 motor vehicle); and

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

7 “(b) RULE OF CONSTRUCTION.—

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

14 “(2) INCONSISTENT TERMS.—When used in  
 15 connection with a passenger motor vehicle (but not  
 16 in connection with a passenger motor vehicle part or  
 17 part assembly separate from a passenger motor vehi-  
 18 cle), any definition under Federal or State law of a  
 19 term defined in section 33301 that is different from  
 20 the definition provided for in that section or any use  
 21 of any other term listed in subsection (a), shall be  
 22 considered to be inconsistent with this chapter.

23 “(3) RULE OF CONSTRUCTION.—Nothing in  
 24 this chapter shall preclude a State from disclosing  
 25 on a rebuilt salvage title that a rebuilt salvage vehi-



1        cle has passed a State safety inspection that differed  
 2        from the nationally uniform criteria promulgated  
 3        under section 33302(b)(2)(H)(v).

4    **“§ 33305. Civil and criminal penalties**

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

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

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

12              “(3) alter, forge, or counterfeit—

13                      “(A) a certificate of title (or an assignment  
 14        thereof);

15                      “(B) a nonrepairable vehicle certificate;

16                      “(C) a certificate verifying an antitheft in-  
 17        spection or an antitheft and safety inspection;  
 18        or

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

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

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

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

11                   “(2) imprisoned for a term not to exceed 3  
12                   years; or

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

○