

Calendar No. 231

106TH CONGRESS
1ST Session

S. 655

[Report No. 106-123]

A BILL

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

JULY 28, 1999

Reported without amendment

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1ST SESSION**S. 655****[Report No. 106-123]**

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

IN THE SENATE OF THE UNITED STATES

MARCH 17, 1999

Mr. LOTT (for himself, Mr. McCAIN, Mr. STEVENS, Mr. BURNS, Mrs. HUTCHISON, Mr. FRIST, Mr. MACK, Mr. MURKOWSKI, Mr. WARNER, Mr. SHELBY, Mr. BENNETT, Mr. INHOFE, Mr. SESSIONS, Mr. GRAMS, Mr. BREAUX, Mr. THOMAS, Mr. THOMPSON, Mr. ROBERTS, Mr. HATCH, and Mr. ABRAHAM) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

JULY 28, 1999

Reported by Mr. McCAIN, without amendment

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “National Salvage
3 Motor Vehicle Consumer Protection Act of 1999”.

4 **SEC. 2. MOTOR VEHICLE TITLING AND DISCLOSURE RE-**
5 **QUIREMENTS.**

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

9 **“CHAPTER 333—AUTOMOBILE SAFETY**
10 **AND TITLE DISCLOSURE REQUIREMENTS**

“Sec.

“33301. Definitions.

“33302. Passenger motor vehicle titling.

“33303. Disclosure and label requirements on transfer of rebuilt salvage vehi-
cles.

“33304. Report on funding

“33305. Effect on State law

“33306. Civil penalties

“33307. Actions by States

“33308. Incentive Grants

11 **“§ 33301. Definitions**

12 “(a) DEFINITIONS.—For the purposes of this chap-
13 ter:

14 “(1) PASSENGER MOTOR VEHICLE.—The term
15 ‘passenger motor vehicle’ has the same meaning
16 given such term by section 32101(10), except, not-
17 withstanding section 32101(9), it includes a multi-
18 purpose passenger vehicle (constructed on a truck
19 chassis or with special features for occasional off-
20 road operation), a truck, other than a truck referred

1 to in section 32101(10)(B), and a pickup truck
2 when that vehicle or truck is rated by the manufac-
3 turer of such vehicle or truck at not more than
4 10,000 pounds gross vehicle weight, and it only in-
5 cludes a vehicle manufactured primarily for use on
6 public streets, roads, and highways.

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

10 “(A) is a late model vehicle which has been
11 wrecked, destroyed, or damaged, to the extent
12 that the total cost of repairs to rebuild or re-
13 construct the passenger motor vehicle to its
14 condition immediately before it was wrecked,
15 destroyed, or damaged, and for legal operation
16 on the roads or highways, exceeds 75 percent of
17 the retail value of the passenger motor vehicle
18 at the time it was wrecked, destroyed, or dam-
19 aged;

20 “(B) is a late model vehicle which has been
21 wrecked, destroyed, or damaged, and to which
22 an insurance company acquires ownership pur-
23 suant to a damage settlement (except in the
24 case of a settlement in connection with a recov-
25 ered stolen vehicle, unless such vehicle sus-

1 tained damage sufficient to meet the damage
2 threshold prescribed by subparagraph (A)); or

3 “(C) the owner wishes to voluntarily des-
4 ignate as a salvage vehicle by obtaining a sal-
5 vage title, without regard to the level of dam-
6 age, age, or value of such vehicle or any other
7 factor, except that such designation by the
8 owner shall not impose on the insurer of the
9 passenger motor vehicle or on an insurer proc-
10 essing a claim made by or on behalf of the
11 owner of the passenger motor vehicle any obli-
12 gation or liability.

13 Notwithstanding any other provision of this chapter,
14 a State may use the term ‘older model salvage vehi-
15 cle’ to designate a wrecked, destroyed, or damaged
16 vehicle that does not meet the definition of a late
17 model vehicle in paragraph (9). If a State has estab-
18 lished or establishes a salvage definition at a lesser
19 percentage than provided under subparagraph (A),
20 then that definition shall not be considered to be in-
21 consistent with the provisions of this chapter.

22 “(3) SALVAGE TITLE.—The term ‘salvage title’
23 means a passenger motor vehicle ownership docu-
24 ment issued by the State to the owner of a salvage

1 vehicle. A salvage title shall be conspicuously labeled
2 with the word ‘salvage’ across the front.

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

5 “(A) any passenger motor vehicle which
6 was previously issued a salvage title, has passed
7 State anti-theft inspection, has been issued a
8 certificate indicating that the passenger motor
9 vehicle has passed the required anti-theft in-
10 spection, has passed the State safety inspection
11 in those States requiring a safety inspection
12 pursuant to section 33302(b)(8), has been
13 issued a certificate indicating that the pas-
14 senger motor vehicle has passed the required
15 safety inspection in those States requiring such
16 a safety inspection pursuant to section
17 33302(b)(8), and has a decal stating ‘Rebuilt
18 Salvage Vehicle—Anti-theft and Safety Inspec-
19 tions Passed’ affixed to the driver’s door jamb;
20 or

21 “(B) any passenger motor vehicle which
22 was previously issued a salvage title, has passed
23 a State anti-theft inspection, has been issued a
24 certificate indicating that the passenger motor
25 vehicle has passed the required anti-theft in-

1 specification, and has, affixed to the driver’s door
2 jamb, a decal stating ‘Rebuilt Salvage Vehicle—
3 Anti-theft Inspection Passed/No Safety Inspec-
4 tion Pursuant to National Criteria’ in those
5 States not requiring a safety inspection pursu-
6 ant to section 33302(b)(8).

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

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

1 vehicle certificate and shall never again be titled or
2 registered.

3 “(7) NONREPAIRABLE VEHICLE CERTIFI-
4 CATE.—The term ‘nonrepairable vehicle certificate’
5 means a passenger motor vehicle ownership docu-
6 ment issued by the State to the owner of a non-
7 repairable vehicle. A nonrepairable vehicle certificate
8 shall be conspicuously labeled with the word ‘Non-
9 repairable’ across the front.

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

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

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

19 “(B) has a retail value of more than
20 \$7,500.

21 The Secretary shall adjust such retail value by \$500
22 increments every 5 years beginning with an increase
23 to \$8,000 on January 1, 2005.

1 “(10) RETAIL VALUE.—The term ‘retail value’
2 means the actual cash value, fair market value, or
3 retail 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 need-
12 ed to repair the vehicle or, if the vehicle has been
13 repaired, the actual retail cost of the parts used in
14 the repair, and the cost of labor computed by using
15 the hourly labor rate and time allocations that are
16 reasonable and customary in the automobile repair
17 industry in the community where the repairs are to
18 be performed.

19 “(12) FLOOD VEHICLE.—

20 “(A) IN GENERAL.—The term ‘flood vehi-
21 cle’ means any passenger motor vehicle that—

22 “(i) has been acquired by an insur-
23 ance company as part of a damage settle-
24 ment due to water damage; or

1 “(ii) has been submerged in water to
2 the point that rising water has reached
3 over the door sill, has entered the pas-
4 senger or trunk compartment, and has ex-
5 posed any electrical, computerized, or me-
6 chanical component to water, except where
7 a passenger motor vehicle which, pursuant
8 to an inspection conducted by an insurance
9 adjuster or estimator, a motor vehicle re-
10 pairer or motor vehicle dealer in accord-
11 ance with inspection guidelines or proce-
12 dures established by the Secretary or the
13 State, is determined—

14 “(I) to have no electrical, com-
15 puterized, or mechanical components
16 which were damaged by water; or

17 “(II) to have one or more elec-
18 trical, computerized, or mechanical
19 components which were damaged by
20 water and where all such damaged
21 components have been repaired or re-
22 placed.

23 “(B) INSPECTION NOT REQUIRED FOR ALL
24 FLOOD VEHICLES.—No inspection under sub-
25 paragraph (A) shall be required unless the

1 owner or insurer of the passenger motor vehicle
2 is seeking to avoid a brand of ‘Flood’ pursuant
3 to this chapter.

4 “(C) INSPECTION MUST BE BY
5 INDEPENDANT PARTY.—A motor vehicle re-
6 pairer or motor vehicle dealer may not carry
7 out an inspection under subparagraph (A) on a
8 passenger motor vehicle that has been repaired,
9 or is to be sold or leased, by that repairer or
10 dealer.

11 “(D) EFFECT OF DISCLOSURE.—Dis-
12 closing a passenger motor vehicle’s status as a
13 flood vehicle or conducting an inspection pursu-
14 ant to subparagraph (A) shall not impose on
15 any person any liability for damage to (except
16 in the case of damage caused by the inspector
17 at the time of the inspection) or reduced value
18 of a passenger motor vehicle.

19 “(b) CONSTRUCTION.—The definitions set forth in
20 subsection (a) only apply to vehicles in a State which are
21 wrecked, destroyed, or otherwise damaged on or after the
22 date on which such State complies with the requirements
23 of this chapter and the rule promulgated pursuant to sec-
24 tion 33302(b).

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

2 “(a) CARRY-FORWARD OF STATE INFORMATION.—
3 For any passenger motor vehicle, the ownership of which
4 is transferred on or after the date that is 1 year after
5 the date of the enactment of the National Salvage Motor
6 Vehicle Consumer Protection Act of 1999, any State re-
7 ceiving funds under section 33308 of this chapter, in li-
8 censing such vehicle for use, shall disclose in writing on
9 the certificate of title whenever records readily accessible
10 to the State indicate that the passenger motor vehicle was
11 previously issued a title that bore any word or symbol sig-
12 nifying that the vehicle was ‘salvage’, ‘older model sal-
13 vage’, ‘unrebuildable’, ‘parts only’, ‘scrap’, ‘junk’, ‘non-
14 repairable’, ‘reconstructed’, ‘rebuilt’, or any other symbol
15 or word of like kind, or that it has been damaged by flood,
16 and the name of the State that issued that title.

17 “(b) NATIONALLY UNIFORM TITLE STANDARDS AND
18 CONTROL METHODS.—Not later than 18 months after the
19 date of the enactment of the National Salvage Motor Vehi-
20 cle Consumer Protection Act of 1999, the Secretary shall
21 by rule require any State receiving funds under section
22 33308 of this chapter, in licensing any passenger motor
23 vehicle where ownership of such passenger motor vehicle
24 is transferred more than 2 years after publication of such
25 final rule, to apply uniform standards, procedures, and
26 methods for the issuance and control of titles for motor

1 vehicles and for information to be contained on such titles.
2 Such titling standards, control procedures, methods, and
3 information shall include the following requirements:

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

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

14 “(3) The title documents, the certificates, and
15 decals required by section 33301(4), and the issuing
16 system shall meet security standards minimizing the
17 opportunities for fraud.

18 “(4) The certificate of title shall include the
19 passenger motor vehicle make, model, body type,
20 year, odometer disclosure, and vehicle identification
21 number.

22 “(5) The title documents shall maintain a uni-
23 form layout, to be established in consultation with
24 the 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
5 a salvage vehicle unless, after the salvage vehicle is
6 repaired 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 fol-
12 lowing:

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 doc-
21 uments are not available, other proof of owner-
22 ship for the replacement parts. The owner shall
23 also include an affirmation that the information
24 in the declaration is complete and accurate and

1 that, to the knowledge of the declarant, no sto-
2 len parts were used during the rebuilding.

3 “(B) A requirement to inspect the pas-
4 senger motor vehicle or any major part or any
5 major replacement part required to be marked
6 under section 33102 for signs of such mark or
7 vehicle identification number being illegally al-
8 tered, defaced, or falsified. Any such passenger
9 motor vehicle or any such part having a mark
10 or vehicle identification number that has been
11 illegally altered, defaced, or falsified, and that
12 cannot be identified as having been legally ob-
13 tained (through bills of sale, invoices, or other
14 ownership documentation), shall be contraband
15 and subject to seizure. The Secretary, in con-
16 sultation with the Attorney General, shall, as
17 part of the rule required by this section, estab-
18 lish procedures for dealing with those parts
19 whose mark or vehicle identification number is
20 normally removed during industry accepted re-
21 manufacturing or rebuilding practices, which
22 parts shall be deemed identified for purposes of
23 this section if they bear a conspicuous mark of
24 a type, and applied in such a manner, as des-
25 ignated by the Secretary, indicating that they

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

12 “(8) Any safety inspection for a rebuilt salvage
13 vehicle performed pursuant to this chapter shall be
14 performed in accordance with nationally uniform
15 safety inspection criteria established by the Sec-
16 retary. A State may determine whether to conduct
17 such safety inspection itself, contract with one or
18 more third parties, or permit self-inspection by a
19 person licensed by such State in an automotive-re-
20 lated business, all subject to criteria promulgated by
21 the Secretary hereunder. Any State inspection pro-
22 gram operating under this paragraph shall be sub-
23 ject to continuing review by and approval of the Sec-
24 retary. A State requiring such safety inspection may

1 require the payment of a fee for the privilege of such
2 inspection or the processing thereof.

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

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

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

21 “(B) If an insurance company, pursuant to
22 a damage settlement, acquires ownership of a
23 passenger motor vehicle that has incurred dam-
24 age requiring the vehicle to be titled as a sal-
25 vage vehicle or nonrepairable vehicle, the insur-

1 ance company or salvage facility or other agent
2 on its behalf shall apply for a salvage title or
3 nonrepairable vehicle certificate within 30 days
4 after the title is properly assigned by the owner
5 to the insurance company and delivered to the
6 insurance company or salvage facility or other
7 agent on its behalf with all liens released.

8 “(C) If an insurance company does not as-
9 sume ownership of an insured’s or claimant’s
10 passenger motor vehicle that has incurred dam-
11 age requiring the vehicle to be titled as a sal-
12 vage vehicle or nonrepairable vehicle, the insur-
13 ance company shall notify—

14 “(i) the owner of the owner’s obliga-
15 tion to apply for a salvage title or non-
16 repairable vehicle certificate for the pas-
17 senger motor vehicle; and

18 “(ii) the State passenger motor vehi-
19 cle titling office that a salvage title or non-
20 repairable vehicle certificate should be
21 issued for the vehicle,

22 except to the extent such notification is prohib-
23 ited by State insurance law. The notices shall
24 be made in writing within 30 days after the in-
25 surance company determines that the damage

1 will require a salvage title or a nonrepairable
2 certificate and that the vehicle will be left with
3 the owner.

4 “(D) If a leased passenger motor vehicle
5 incurs damage requiring the vehicle to be titled
6 as a salvage vehicle or nonrepairable vehicle,
7 the lessor shall apply for a salvage title or non-
8 repairable vehicle certificate within 21 days
9 after being notified by the lessee that the vehi-
10 cle has been so damaged, except when an insur-
11 ance company, pursuant to a damage settle-
12 ment, acquires ownership of the vehicle. The
13 lessee of such vehicle shall inform the lessor
14 that the leased vehicle has been so damaged
15 within 30 days after the occurrence of the dam-
16 age. Nothing in this subparagraph requires that
17 the requirements for notification be contained
18 in the lease itself, as long as effective notice is
19 provided by the lessor to the lessee of the re-
20 quirements.

21 “(E) Any person acquiring ownership of a
22 damaged passenger motor vehicle that meets
23 the definition of a salvage or nonrepairable ve-
24 hicle for which a salvage title or nonrepairable
25 vehicle certificate has not been issued, shall

1 apply for a salvage title or nonrepairable vehicle
2 certificate, whichever is applicable. This appli-
3 cation shall be made before the vehicle is fur-
4 ther transferred, but in any event, within 30
5 days after ownership is acquired. The require-
6 ments of this subparagraph shall not apply to
7 any scrap metal processor which acquires a pas-
8 senger motor vehicle for the sole purpose of
9 processing it into prepared grades of scrap and
10 which so processes such vehicle.

11 “(F) State records shall note when a non-
12 repairable vehicle certificate is issued. No State
13 shall issue a nonrepairable vehicle certificate
14 after 2 transfers of ownership.

15 “(G) When a passenger motor vehicle has
16 been flattened, baled, or shredded, whichever
17 comes first, the title or nonrepairable vehicle
18 certificate for the vehicle shall be surrendered
19 to the State within 30 days. If the second
20 transferee on a nonrepairable vehicle certificate
21 is unequipped to flatten, bale, or shred the vehi-
22 cle, such transferee shall, at the time of final
23 disposal of the vehicle, use the services of a pro-
24 fessional automotive recycler or professional
25 scrap processor who is hereby authorized to

1 flatten, bale, or shred the vehicle and to effect
2 the surrender of the nonrepairable vehicle cer-
3 tificate to the State on behalf of such second
4 transferee. State records shall be updated to in-
5 dicate the destruction of such vehicle and no
6 further ownership transactions for the vehicle
7 will be permitted. If different than the State of
8 origin of the title or nonrepairable vehicle cer-
9 tificate, the State of surrender shall notify the
10 State of origin of the surrender of the title or
11 nonrepairable vehicle certificate and of the de-
12 struction of such vehicle.

13 “(H) When a salvage title is issued, the
14 State records shall so note. No State shall per-
15 mit the retitling for registration purposes or
16 issuance of a rebuilt salvage title for a pas-
17 senger motor vehicle with a salvage title without
18 a certificate of inspection, which complies with
19 the security and guideline standards established
20 by the Secretary pursuant to paragraphs (3),
21 (7), and (8), as applicable, indicating that the
22 vehicle has passed the inspections required by
23 the State. This subparagraph does not preclude
24 the issuance of a new salvage title for a salvage
25 vehicle after a transfer of ownership.

1 “(I) After a passenger motor vehicle titled
2 with a salvage title has passed the inspections
3 required by the State, the inspection official will
4 affix the secure decal required pursuant to sec-
5 tion 33301(4) to the driver’s door jamb of the
6 vehicle and issue to the owner of the vehicle a
7 certificate indicating that the passenger motor
8 vehicle has passed the inspections required by
9 the State. The decal shall comply with the per-
10 manency requirements established by the Sec-
11 retary.

12 “(J) The owner of a passenger motor vehi-
13 cle titled with a salvage title may obtain a re-
14 built salvage title or vehicle registration, or
15 both, by presenting to the State the salvage
16 title, properly assigned, if applicable, along with
17 the certificate that the vehicle has passed the
18 inspections required by the State. With such
19 proper documentation and upon request, a re-
20 built salvage title or registration, or both, shall
21 be issued to the owner. When a rebuilt salvage
22 title is issued, the State records shall so note.

23 “(11) A seller of a passenger motor vehicle that
24 becomes a flood vehicle shall, prior to the time of
25 transfer of ownership of the vehicle, give the trans-

1 feree a written notice that the vehicle has been dam-
2 aged by flood, provided such person has actual
3 knowledge that such vehicle has been damaged by
4 flood. At the time of the next title application for
5 the vehicle, disclosure of the flood status shall be
6 provided to the applicable State with the properly
7 assigned title and the word ‘Flood’ shall be conspicu-
8 ously labeled across the front of the new title.

9 “(12) In the case of a leased passenger motor
10 vehicle, the lessee, within 15 days of the occurrence
11 of the event that caused the vehicle to become a
12 flood vehicle, shall give the lessor written disclosure
13 that the vehicle is a flood vehicle.

14 “(13) Ownership of a passenger motor vehicle
15 may be transferred on a salvage title, however, a
16 passenger motor vehicle for which a salvage title has
17 been issued shall not be registered for use on the
18 roads or highways unless it has been issued a rebuilt
19 salvage title.

20 “(14) Ownership of a passenger motor vehicle
21 may be transferred on a rebuilt salvage title, and a
22 passenger motor vehicle for which a rebuilt salvage
23 title has been issued may, if permitted by State law,
24 be registered for use on the roads and highways.

1 “(15) Ownership of a passenger motor vehicle
2 may only be transferred 2 times on a nonrepairable
3 vehicle certificate. A passenger motor vehicle for
4 which a nonrepairable vehicle certificate has been
5 issued can never be titled or registered for use on
6 roads or highways.

7 “(c) ELECTRONIC PROCEDURES.—A State may em-
8 ploy electronic procedures in lieu of paper documents
9 whenever such electronic procedures provide the same in-
10 formation, function, and security otherwise required by
11 this section.

12 “(d) NATIONAL RECORD OF COMPLIANT STATES.—
13 The Secretary shall establish a record of the States which
14 are in compliance with the requirements of subsections (a)
15 and (b) of this section. The Secretary shall work with
16 States to update this record upon the enactment of a State
17 law which causes a State to come into compliance or be-
18 come noncompliant with the requirements of subsections
19 (a) and (b) of this section. Not later than 18 months after
20 the enactment of the National Salvage Motor Vehicle Con-
21 sumer Protection Act of 1999, the Secretary shall estab-
22 lish a mechanism or mechanisms to identify to interested
23 parties whether a State is in compliance with the require-
24 ments of subsections (a) and (b) of this section.

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, prior to the time of transfer of ownership of
8 the vehicle, give the transferee a written disclosure
9 that the vehicle is a rebuilt salvage vehicle when
10 such person has actual knowledge of the status of
11 such vehicle.

12 “(2) FALSE STATEMENT.—A person making a
13 written disclosure required by a regulation pre-
14 scribed under paragraph (1) of this subsection may
15 not make a false statement in the disclosure.

16 “(3) COMPLETENESS.—A person acquiring a
17 rebuilt salvage vehicle for resale may accept a disclo-
18 sure under paragraph (1) only if it is complete.

19 “(4) REGULATIONS.—The regulations pre-
20 scribed by the Secretary shall provide the way in
21 which information is disclosed and retained under
22 paragraph (1).

23 “(b) LABEL REQUIREMENTS.—

24 “(1) IN GENERAL.—The Secretary shall by reg-
25 ulation require that a label be affixed to the wind-
26 shield or window of a rebuilt salvage vehicle before

1 its first sale at retail containing such information re-
2 garding that vehicle as the Secretary may require.
3 The label shall be affixed by the individual who con-
4 ducts the applicable State antitheft inspection in a
5 participating State.

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

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

17 **“§ 33304. Report on funding**

18 “The Secretary shall, contemporaneously with the
19 issuance of a final rule pursuant to section 33302(b), re-
20 port to appropriate committees of Congress whether the
21 costs to the States of compliance with such rule can be
22 met by user fees for issuance of titles, issuance of registra-
23 tions, issuance of duplicate titles, inspection of rebuilt ve-
24 hicles, or for the State services, or by earmarking any

1 moneys collected through law enforcement action to en-
2 force requirements established by such rule.

3 **“§ 33305. Effect on State law**

4 “(a) IN GENERAL.—Unless a State is in compliance
5 with subsection (c) of section 33302, effective on the date
6 the rule promulgated pursuant to section 33302 becomes
7 effective, the provisions of this chapter shall preempt all
8 State laws such a State that receives funds under section
9 33308 of this chapter, to the extent they are inconsistent
10 with the provisions of this chapter or the rule promulgated
11 pursuant to section 33302, which—

12 “(1) set forth the form of the passenger motor
13 vehicle title;

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

23 “(3) set forth titling, recordkeeping, anti-theft
24 inspection, or control procedures in connection with

1 any salvage vehicle, rebuilt salvage vehicle, non-
2 repairable vehicle, or flood vehicle.

3 “(b) EXCEPTIONS.—

4 “(1) PASSENGER MOTOR VEHICLE; OLDER
5 MODEL SALVAGE.—Subsection (a)(2) does not pre-
6 empt State use of the term—

7 “(A) ‘passenger motor vehicle’ in statutes
8 not related to titling, recordkeeping, anti-theft
9 inspection, or control procedures in connection
10 with any salvage vehicle, rebuilt salvage vehicle,
11 nonrepairable vehicle, or flood vehicle ; or

12 “(B) ‘older model salvage’ to designate a
13 wrecked, destroyed, or damaged vehicle that is
14 older than a late model vehicle.

15 “(2) PRIVATE LAW ACTIONS.—Nothing in this
16 chapter may be construed to affect any private right
17 of action under State law.

18 “(c) CONSTRUCTION.—Additional disclosures of a
19 passenger motor vehicle’s title status or history, in addi-
20 tion to the terms defined in section 33301, shall not be
21 deemed inconsistent with the provisions of this chapter.
22 Such disclosures shall include disclosures made on a cer-
23 tificate of title. When used in connection with a passenger
24 motor vehicle (but not in connection with a passenger
25 motor vehicle part or part assembly separate from a pas-

1 senger motor vehicle), any definition of a term defined in
2 section 33301 which is different than the definition in that
3 section or any use of any term listed in subsection (a),
4 but not defined in section 33301, shall be deemed incon-
5 sistent with the provisions of this chapter. Nothing in this
6 chapter shall preclude a State from disclosing on a rebuilt
7 salvage title that a rebuilt salvage vehicle has passed a
8 State safety inspection which differed from the nationally
9 uniform criteria to be promulgated pursuant to section
10 33302(b)(8).

11 **“§ 33306. Civil penalties**

12 “(a) PROHIBITED ACTS.—It is unlawful for any per-
13 son knowingly to—

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

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

20 “(3) alter, forge, or counterfeit a certificate of
21 title (or an assignment thereof), a nonrepairable ve-
22 hicle certificate, a certificate verifying an anti-theft
23 inspection or an anti-theft and safety inspection, a
24 decal affixed to a passenger motor vehicle pursuant

1 to section 33302(b)(10)(I), or any disclosure made
2 pursuant to section 33303;

3 “(4) falsify the results of, or provide false infor-
4 mation in the course of, an inspection conducted
5 pursuant to section 33302(b)(7) or (8);

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

8 “(6) fail to make any disclosure required by
9 section 33302(b)(11);

10 “(7) fail to make any disclosure required by
11 section 33303;

12 “(8) violate a regulation prescribed under this
13 chapter;

14 “(9) move a vehicle or a vehicle title in inter-
15 state commerce for the purpose of avoiding the ti-
16 tling requirements of this chapter; or

17 “(10) conspire to commit any of the acts enu-
18 merated in paragraph (1), (2), (3), (4), (5), (6), (7),
19 (8), or (9).

20 “(b) CIVIL PENALTY.—Any person who commits an
21 unlawful act as provided in subsection (a) of this section
22 shall be fined a civil penalty of up to \$2,000 per offense.
23 A separate violation occurs for each passenger motor vehi-
24 cle involved in the violation.

1 **“§ 33307. Actions by States**

2 “(a) IN GENERAL.—When a person violates any pro-
3 vision of this chapter, the chief law enforcement officer
4 of the State in which the violation occurred may bring an
5 action—

6 “(1) to restrain the violation;

7 “(2) recover amounts for which a person is lia-
8 ble under section 33306; or

9 “(3) to recover the amount of damage suffered
10 by any resident in that State who suffered damage
11 as a result of the knowing commission of an unlaw-
12 ful act under section 33306(a) by another person.

13 “(b) STATUTE OF LIMITATIONS.—An action under
14 subsection (a) shall be brought in any court of competent
15 jurisdiction within 2 years after the date on which the vio-
16 lation occurs.

17 “(c) NOTICE.—The State shall serve prior written no-
18 tice of any action under subsection (a) or (f)(2) upon the
19 Attorney General of the United States and provide the At-
20 torney General with a copy of its complaint, except that
21 if it is not feasible for the State to provide such prior no-
22 tice, the State shall serve such notice immediately upon
23 instituting such action. Upon receiving a notice respecting
24 an action, the Attorney General shall have the right—

25 “(1) to intervene in such action;

1 “(2) upon so intervening, to be heard on all
2 matters arising therein; and

3 “(3) to file petitions for appeal.

4 “(d) CONSTRUCTION.—For purposes of bringing any
5 action under subsection (a), nothing in this Act shall pre-
6 vent an attorney general from exercising the powers con-
7 ferred on the attorney general by the laws of such State
8 to conduct investigations or to administer oaths or affir-
9 mations or to compel the attendance of witnesses or the
10 production of documentary and other evidence.

11 “(e) VENUE; SERVICE OF PROCESS.—Any action
12 brought under subsection (a) in a district court of the
13 United States may be brought in the district in which the
14 defendant is found, is an inhabitant, or transacts business
15 or wherever venue is proper under section 1391 of title
16 28, United States Code. Process in such an action may
17 be served in any district in which the defendant is an in-
18 habitant or in which the defendant may be found.

19 “(f) ACTIONS BY STATE OFFICIALS.—

20 “(1) Nothing contained in this section shall
21 prohibit an attorney general of a State or other au-
22 thorized State official from proceeding in State court
23 on the basis of an alleged violation of any civil or
24 criminal statute of such State, including those re-
25 lated to consumer protection.

1 “(2) In addition to actions brought by an attor-
2 ney general of a State under subsection (a), such an
3 action may be brought by officers of such State who
4 are authorized by the State to bring actions in such
5 State on behalf of its residents.

6 **“§ 33308. Incentive Grants**

7 “(a) GENERAL AUTHORITY.—The Secretary of
8 Transportation shall make a grant to each State that dem-
9 onstrates to the satisfaction of the Secretary that it is tak-
10 ing appropriate actions to implement the provisions of this
11 chapter.

12 “(b) GRANTS.—Pursuant to subsection (a), a grant
13 to carry out this chapter in a fiscal year shall be provided
14 to each qualifying State in an amount determined by
15 multiplying—

16 “(1) the amount authorized for the fiscal year
17 to carry out this chapter, by

18 “(2) the ratio that the amount of funds appor-
19 tioned to each qualifying State under section 402 of
20 title 23, United States Code, for the fiscal year
21 bears to the total amount of funds apportioned to all
22 qualifying States under section 402 of title 23,
23 United States Code, for such fiscal year, except that
24 no State eligible for a grant under this paragraph
25 shall receive less than \$250,000.

1 “(c) USE OF GRANTS.—Any State that receives a
 2 grant under this section shall use the funds to carry out
 3 the provisions of this chapter, including such conformance
 4 related activities as issuing titles, establishing and admin-
 5 istering vehicle theft or salvage vehicles safety inspections,
 6 enforcement, and other related purposes.

7 “(d) AUTHORIZATION OF APPROPRIATIONS.—

8 “(1) IN GENERAL.—There is authorized to be
 9 appropriated to carry out this chapter \$16,000,000
 10 for fiscal year 2000.

11 “(2) AVAILABILITY OF FUNDS.—Funds author-
 12 ized by this section shall remain available until ex-
 13 pended.”.

14 (b) CONFORMING AMENDMENT.—The table of chap-
 15 ters for part C at the beginning of subtitle VI of title 49,
 16 United States Code, is amended by inserting at the end
 17 the following new item:

“333. AUTOMOBILE SAFETY AND TITLE DISCLOSURE RE-
 QUIREMENTS 33301”.

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

19 (a) DEFINITIONS.—

20 (1) Section 30501(4) of title 49, United States
 21 Code, is amended to read as follows:

22 “(4) ‘nonrepairable vehicle’, ‘salvage vehicle’,
 23 ‘flood vehicle’, and ‘rebuilt salvage vehicle’ have the

1 same meanings given those terms in section 33301
2 of this title.”.

3 (2) Section 30501(5) of such title is amended
4 by striking “junk automobiles” and inserting “non-
5 repairable vehicles”.

6 (3) Section 30501(8) of such title is amended
7 by striking “salvage automobiles” and inserting
8 “salvage vehicles”.

9 (4) Section 30501 of such title is amended by
10 striking paragraph (7) and redesignating paragraphs
11 (8) and (9) as paragraphs (7) and (8), respectively.

12 (b) NATIONAL MOTOR VEHICLE TITLE INFORMA-
13 TION SYSTEM.—

14 (1) Section 30502(d)(3) of title 49, United
15 States Code, is amended to read as follows:

16 “(3) whether an automobile known to be titled
17 in a particular State is or has been a nonrepairable
18 vehicle, a rebuilt salvage vehicle, a flood vehicle, or
19 a salvage vehicle;”.

20 (2) Section 30502(d)(5) of such title is amend-
21 ed to read as follows:

22 “(5) whether an automobile bearing a known
23 vehicle identification number has been reported as a
24 nonrepairable vehicle, a rebuilt salvage vehicle, a

1 flood vehicle, or a salvage vehicle under section
2 30504 of this title.”.

3 (c) STATE PARTICIPATION.—Section 30503 of title
4 49, United States Code, is amended to read as follows:

5 **“§ 30503. State participation**

6 “(a) STATE INFORMATION.—Each State receiving
7 funds appropriated under subsection (c) shall make titling
8 information maintained by that State available for use in
9 operating the National Motor Vehicle Title Information
10 System established or designated under section 30502 of
11 this title.

12 “(b) VERIFICATION CHECKS.—Each State receiving
13 funds appropriated under subsection (c) shall establish a
14 practice of performing an instant title verification check
15 before issuing a certificate of title to an individual or enti-
16 ty claiming to have purchased an automobile from an indi-
17 vidual or entity in another State. The check shall consist
18 of—

19 “(1) communicating to the operator—

20 “(A) the vehicle identification number of
21 the automobile for which the certificate of title
22 is sought;

23 “(B) the name of the State that issued the
24 most recent certificate of title for the auto-
25 mobile; and

1 “(C) the name of the individual or entity
2 to whom the certificate of title was issued; and

3 “(2) giving the operator an opportunity to com-
4 municate to the participating State the results of a
5 search of the information.

6 “(c) GRANTS TO STATES.—

7 “(1) In cooperation with the States and not
8 later than January 1, 1994, the Attorney General
9 shall—

10 “(A) conduct a review of systems used by
11 the States to compile and maintain information
12 about the titling of automobiles; and

13 “(B) determine for each State the cost of
14 making titling information maintained by that
15 State available to the operator to meet the re-
16 quirements of section 30502(d) of this title.

17 “(2) The Attorney General may make reason-
18 able and necessary grants to participating States to
19 be used in making titling information maintained by
20 those States available to the operator.

21 “(d) REPORT TO CONGRESS.—Not later than Octo-
22 ber 1, 1999, the Attorney General shall report to Congress
23 on which States have met the requirements of this section.
24 If a State has not met the requirements, the Attorney

1 General shall describe the impediments that have resulted
2 in the State's failure to meet the requirements.”.

3 (d) REPORTING REQUIREMENTS.—Section 30504 of
4 title 49, United States Code, is amended by striking “junk
5 automobiles or salvage automobiles” every place it appears
6 and inserting “nonrepairable vehicles, rebuilt salvage vehi-
7 cles, flood vehicles, or salvage vehicles”.

8 **SEC. 4. DEALER NOTIFICATION PROGRAM FOR PROHIB-**
9 **ITED SALE OF NONQUALIFYING VEHICLES**
10 **FOR USE AS SCHOOLBUSES.**

11 Section 30112 of title 49, United States Code, is
12 amended by adding at the end thereof the following:

13 “(c) NOTIFICATION PROGRAM FOR DEALERS CON-
14 CERNING SALES OF VEHICLES AS SCHOOLBUSES.—Not
15 later than September 1, 1999, the Secretary shall develop
16 and implement a program to notify dealers and distribu-
17 tors in the United States that subsection (a) prohibits the
18 sale or delivery of any vehicle for use as a schoolbus (as
19 that term is defined in section 30125(a)(1) of this title)
20 that does not meet the standards prescribed under section
21 30125(b) of this title.”.