

# SENATE BILL REPORT

## SB 5252

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As Reported By Senate Committee On:  
Transportation, March 2, 1995

**Title:** An act relating to regulating salvage vehicles.

**Brief Description:** Regulating salvage vehicles.

**Sponsors:** Senators Haugen, Wood, Rasmussen, Morton and Long.

**Brief History:**

**Committee Activity:** Transportation: 2/14/95, 3/2/95 [DPS].

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### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** That Substitute Senate Bill No. 5252 be substituted therefor, and the substitute bill do pass.

Signed by Senators Owen, Chair; Heavey, Vice Chair; Fairley, Haugen, Kohl, Morton, Oke, Prentice, Prince, Rasmussen, Schow, Sellar and Wood.

**Staff:** Jennifer Joly (786-7305)

**Background:** When a vehicle is destroyed (i.e., declared a total loss), the registered owner, or insurance company settling the claim for the total loss of a vehicle, must surrender the certificate of ownership (i.e., title) to the Department of Licensing (DOL) within 15 days.

If an owner decides to sell a destroyed vehicle after the title has been surrendered to the DOL, the salvage vehicle may be sold using a bill of sale instead of a title. The bill of sale must include a statement that the vehicle's title has been surrendered to the DOL.

Prior to operating a vehicle that has been destroyed, a new certificate of ownership must be issued by the department. The application for a new title requires a State Patrol vehicle identification number (VIN) inspection and a bill of sale from the insurance company that declared the vehicle a total loss, a motor vehicle wrecker, or the last registered owner noted with the DOL.

Certificates of ownership and registration reissued for vehicles reported destroyed that are less than four years old must contain the word "rebuilt."

Currently, the State Patrol performs only a VIN inspection of rebuilt vehicles and vehicles previously registered in other states or countries. The VIN inspection is aimed at detecting stolen vehicles and parts, not examining whether a vehicle has been safely constructed.

**Summary of Substitute Bill:** The State Patrol must assemble a study group, with representation from the Department of Licensing (DOL), Washington Traffic Safety Commission, the insurance industry, the autobody industry, and other appropriate groups to

examine the feasibility of implementing safety inspections for vehicles that are rebuilt after surrender of the certificate of ownership to the DOL due to the vehicle's destruction or declaration as a total loss. A study report must be submitted to the Legislative Transportation Committee no later than January 1, 1996.

A VIN inspection is required for all vehicles that have been rebuilt after surrender of the certificate of ownership to the DOL due to the vehicle's destruction or declaration as a total loss.

Effective January 1, 1997, the DOL must issue a unique certificate of ownership and registration for vehicles less than four years old that are rebuilt after surrender of the certificate of ownership to the DOL due to the vehicle's destruction or declaration as a total loss. Each certificate must conspicuously display, across its front, a word indicating that the vehicle is rebuilt.

The DOL, in consultation with the aforementioned study group members, must study the feasibility of expanding the title and registration branding requirement to all vehicles, regardless of age. Additionally, the study group is required to develop a recommendation regarding differentiating on the title and registration whether a rebuilt vehicle sustained cosmetic damage or structural damage. DOL must report its findings to the Legislative Transportation Committee no later than January 1, 1996.

Beginning January 1, 1997, the State Patrol is required to securely affix or inscribe a marking at the driver's door latch indicating that the vehicle is destroyed or declared a total loss. Removal of the marking is a class C felony.

A dealer is permitted to renegotiate a dollar amount specified as the trade-in allowance on a vehicle as part of the purchase price if the buyer fails to disclose that the vehicle that is being traded in has a title which is branded for any reason, including status as a rebuilt vehicle.

**Substitute Bill Compared to Original Bill:** A feasibility study of safety inspections is called for rather than mandating them now. Branding of the certificate of registration, in addition to the title, is added. The original intent is clarified.

**Appropriation:** None.

**Fiscal Note:** Available for original bill.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Consumers are often uninformed about their vehicle's status as a rebuild; thus, having a more conspicuous brand will increase consumer awareness of potential safety defects. Additionally, attaching a marking at the driver's door latch indicating that the vehicle has previously been totaled provides even more consumer safety information.

VIN inspections only address the problem of stolen vehicles and parts, not consumer safety; safety inspections could address this deficit.

**Testimony Against:** Branding the titles of all vehicles that have been declared a total loss will create a problem for vehicle dealers who sell used cars. Dealers are held liable for repaying buyers of cars who later find out that their car had been totaled and rebuilt. Titles are often not available at the time a trade-in vehicle is purchased.

**Testified:** Senator Haugen, prime sponsor; Tim Schellberg, Autobody Craftsman Assn. (pro); Mike West, Autobody Craftsman Assn. (pro); Ed Dollar, Autobody Craftsman Assn. (pro); Jerry McAllister, Fleury Auto Parts (pro); Jim Boldt, WA Auto Dealers Assn. (con).