

SENATE BILL REPORT

SB 6391

As Reported By Senate Committee On:
Transportation February 1, 1996

Title: An act relating to vehicles that have been rebuilt from salvage.

Brief Description: Inspecting rebuilt salvage vehicles.

Sponsors: Senators Long, Prentice, Owen, Prince, Schow, Sellar and Haugen.

Brief History:

Committee Activity: Transportation: 1/23/96, 2/1/96 [DPS].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 6391 be substituted therefor, and the substitute bill do pass.

Signed by Senators Owen, Chair; Heavey, Vice Chair; Goings, Haugen, Oke, Schow, Sellar, Thibaudeau and Wood.

Staff: Roger Horn (786-7839)

Background: Insurers and self-insured vehicle owners are required to submit to the Department of Licensing the title of vehicles that have been declared a total loss. Some of these vehicles are subsequently rebuilt and retitled.

Before being retitled, a rebuilt vehicle must undergo a vehicle identification number (VIN) inspection by the State Patrol. The fee for the inspection is \$20. Beginning January 1, 1997, the State Patrol, as part of the inspection, will affix or inscribe a marking on the driver's side door pillar indicating that the vehicle has been rebuilt. In 1995, the State Patrol performed over 30,000 VIN inspections on rebuilt vehicles.

If a totaled vehicle is subsequently rebuilt and the vehicle is under four years of age, the title issued for the vehicle must be branded as "rebuilt." Registration certificates are likewise branded.

A 1995 enactment required the State Patrol to convene a study group to examine the feasibility of implementing safety inspections for rebuilt vehicles. The Department of Licensing, Washington Traffic Safety Commission, and representatives of the insurance, autobody, salvage pool, auto wrecking, and auto dealer industries participated in the study. The report was submitted prior to the legislative session and recommended the implementation of a structural integrity inspection (SII) program conducted by private industry.

The study group was also required to examine the feasibility of displaying the "rebuilt" brand on the title and registration certificate of any rebuilt vehicle, regardless of age, and, in

addition, the feasibility of differentiating on the certificates whether the vehicle had been declared a total loss due to cosmetic or structural damage. The study recommended having the "rebuilt" brand apply to vehicles of any age without differentiating between cosmetic and structural damage. Under current law, the State Patrol will apply door pillar markings to rebuilt vehicles of any age.

Summary of Substitute Bill: Beginning July 1, 1997, a rebuilt vehicle under six years of age must undergo a structural integrity inspection in order to receive a title or registration certificate. The SII program is administered by the State Patrol. Inspections are designed to ensure that frame and other components integral to the structure of the vehicle have been repaired in a manner that meets automotive industry standards and are conducted only by privately-owned autobody repair shops. The inspections do not ensure the overall safety of the vehicle.

Autobody shops performing the inspections must be properly licensed, bonded, and insured; and have the facilities, equipment, and personnel to perform the inspections. Technicians performing the inspections must have five years experience, automotive service excellence (ASE) certification, and completed a series of collision repair classes as determined by the State Patrol. The State Patrol determines the inspection fees which are retained by the autobody shop performing the work. An additional fee of \$5 is paid when the rebuilt vehicle undergoes its VIN inspection to cover the administrative costs of the SII program.

The State Patrol or the Department of Licensing may (1) require insurers and self-insurers to submit a form showing the general areas of damage to a totaled vehicle, along with the vehicle title, when a vehicle is declared a total loss, or (2) require a person requesting a structural integrity inspection to submit photos depicting the original damage to the vehicle.

By January 1, 1997, the State Patrol must submit to the Legislative Transportation Committee and the Office of Financial Management a progress report on the implementation of the SII program.

The requirement that titles and registration certificates of rebuilt vehicles be branded includes vehicles under six years of age. The requirement that a marking be applied to vehicle door pillars indicating the vehicle has been rebuilt applies to vehicles under six years of age.

Substitute Bill Compared to Original Bill: The following requirements apply only to vehicles under six years of age: structural integrity inspection programs, branding of titles and registration certificates of rebuilt vehicles, and the application to vehicle door pillars of a marking indicating the vehicle has been rebuilt.

The qualifications for technicians who do structural integrity inspections are clarified. A provision is added to clarify that the bill does not affect vehicle inspections performed by the Department of Labor and Industries.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Many totaled vehicles are poorly rebuilt and pose a threat to those who purchase them. The structural integrity inspection will help keep poorly rebuilt vehicles off the road. Private autobody shops will be able to handle the anticipated number of inspections. Consumers have a right to know if the vehicle they are purchasing has previously been declared a total loss. Many totaled vehicles over four years old are rebuilt and currently have no rebuilt brand on the title.

Testimony Against: Only a small percentage of accidents are related to the structural integrity of a vehicle. There may not be enough autobody shops to handle the expected volume of inspections. The group studying the feasibility of the inspections did not adequately examine whether there was a need for such inspections. Older vehicles may be declared a total loss even though they have only sustained minor damage. It is unlikely that badly damaged older vehicles will be rebuilt because they are not valuable enough to justify the cost to rebuild them. Having a branded title diminishes the value of a vehicle.

Testified: Senator Long, prime sponsor; Marsh Pugh, WSP (pro); Bill Hanson, WA State Patrol Troopers Assn. (pro); Mike West, Ed Dollars, Autobody Craftsman Assn. (pro); Don Phelps, Auto Wreckers Assn. (pro); Dave Ducharme, Insurance Auto Auctions (con); Renetta Wilson, State Farm Insurance (con); Jim Boldt, WA Auto Dealers.