

# FINAL BILL REPORT

## ESSB 5685

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C 256 L 95

Synopsis as Enacted

**Brief Description:** Updating regulation of salvaged vehicles.

**Sponsors:** Senate Committee on Transportation (originally sponsored by Senators Long, Haugen, Wood, Kohl, Prince, Fraser, Owen, Schow, Sellar, Heavey, Rasmussen, Winsley and Sheldon).

**Senate Committee on Transportation**

**House Committee on Transportation**

**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.

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

By law, the State Patrol is required to do VIN inspections only on vehicles that were previously registered in another state or country. The VIN inspection is aimed at detecting stolen vehicles and parts, not examining whether a vehicle has been safely constructed.

The State Patrol is required to impound vehicles if it has reasonable grounds to believe vehicle or part identification numbers have been intentionally altered or removed.

Currently, there are no prohibitions against selling or transferring vehicle titles.

Vehicle wreckers are businesses that dismantle salvage vehicles for the purpose of selling secondhand parts. The Department of Licensing licenses and regulates vehicle wreckers. The State Patrol has the responsibility of inspecting vehicle wrecker premises. Engaging in vehicle wrecking without a license is a gross misdemeanor.

At present, it is unlawful for vehicle wreckers to keep a motor vehicle, or any integral part thereof, outside the wall or fence required to obscure the wrecking yard.

The state is required to reimburse the owner of a car that passed a State Patrol inspection and was later found to be stolen. Washington is the only state with this requirement and will pay out about \$0.5 million in reimbursements in the 1993-95 biennium.

**Summary:** It is a class C felony for a person to sell or convey a vehicle title, except in conjunction with the sale or transfer of the vehicle for which the title is originally issued.

The State Patrol is given more latitude in impounding cars it believes to be stolen.

Fenders and airbags are added to the list of items constituting major component parts of a vehicle.

It is specified that individuals engaging in vehicle wrecking without a license are guilty of a gross misdemeanor. Second and subsequent offenses are class C felonies.

For vehicle wreckers with multiple locations, tow vehicles operated out of any of the licensed locations may display special license plates bearing the same license number.

Some less severe violations of vehicle wrecker statutes pertaining to record keeping are deemed misdemeanors.

The Department of Licensing is given administrative cease and desist authority and subpoena power to address illegal wrecking activities.

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.

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

The State Patrol must assemble a study group, with representation from the Department of Licensing, 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.

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.

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.

A VIN inspection is required for all 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.

The state is no longer required to reimburse the owner of a car that is inspected by the Washington State Patrol and is later found to be reported stolen at the time of the inspection.

**Votes on Final Passage:**

Senate	45	0	
House	93	3	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** July 23, 1995