

SENATE BILL REPORT

SB 5685

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

Title: An act relating to salvaged vehicles.

Brief Description: Updating regulation of salvaged vehicles.

Sponsors: Senators Long, Haugen, Wood, Kohl, Prince, Fraser, Owen, Schow, Sellar, Heavey, Rasmussen, Winsley and Sheldon.

Brief History:

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

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5685 be substituted therefor, and the substitute bill do pass.

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

Staff: Roger Horn (786-7839)

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. Prior to operating a vehicle that has been destroyed, a new certificate of ownership must be issued by the DOL. Certificates of ownership and registration reissued for vehicles reported destroyed that are less than four years old must contain the word "rebuilt."

Vehicle wreckers are businesses that dismantle salvage vehicles for the purpose of selling second hand parts. The Department of Licensing licenses and regulates vehicle wreckers. The State Patrol has the responsibility of inspecting vehicle wrecker premises.

Currently, the State Patrol performs only a VIN inspection of rebuilt vehicles and vehicles previously registered in other states and countries. The VIN inspection is aimed at detecting stolen vehicles and parts, not examining whether a vehicle has been safely constructed. The Patrol are required to impound vehicles if they have reasonable grounds to believe vehicle or part identification numbers have been intentionally altered or removed.

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.

Summary of Substitute Bill: 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 it 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.

Vehicle wrecker tow vehicles are no longer required to bear special license plates, but must have the firm name, city, and phone number displayed on both doors.

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

Beginning July 1, 1996, vehicles and parts may be displayed outside the fence or building of a vehicle wrecker's premises during business hours only and only if not in conflict with local ordinance.

The DOL is given administrative cease and desist authority over illegal wrecking activities.

Miscellaneous changes are made to update language.

Substitute Bill Compared to Original Bill: The original bill required the Department of Licensing (DOL), in cooperation with the State Patrol, representatives of the insurance industry, representatives of industries engaged in the selling or buying of significantly damaged vehicles, and representatives of other appropriate groups, to develop a plan and proposed legislation to implement unique titling and registration of significantly damaged vehicles.

The original bill required DOL to identify on vehicle titles and registration certificates whether a vehicle was reported as a total loss, regardless of the vehicle's age and to include on the certificates the month and year the vehicle was declared a total loss.

The original bill did not remove the requirement for the display of special plates on vehicle wrecker tow vehicles.

Appropriation: None.

Fiscal Note: Available.

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

Testimony for: Unlicensed individuals are buying salvage vehicles from salvage pools and rebuilding or parting out the vehicles illegally. The state is losing tax dollars because of illegal sales of salvage vehicles and parts. Salvage vehicles purchased by unlicensed individuals may be sold in an unsafe condition and parts purchased by unlicensed individuals may be used to market stolen vehicles or parts.

Testimony against: Branding of 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 their car had been totaled and rebuilt. Titles are often not available at the time a trade-in vehicle is purchased.

Testified: Tim Schellberg, Mike West, Ed Dollar, Autobody Craftsman Association (pro); Jerry McAllister, Fleury Auto Parts (pro); Jim Boldt, Washington Auto Dealers Association (con).