

106TH CONGRESS  
1ST SESSION

# S. 655

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

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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, and Mr. GRAMS) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

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## 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,*

3 **SECTION 1. SHORT TITLE.**

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

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

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

6 **“CHAPTER 333—AUTOMOBILE SAFETY**  
 7 **AND TITLE DISCLOSURE REQUIREMENTS**

“Sec.

“33301. Definitions.

“33302. Passenger motor vehicle titling.

“33303. Disclosure and label requirements on transfer of rebuilt salvage vehicles.

“33304. Report on funding.

“33305. Effect on State law.

“33306. Civil penalties.

“33307. Actions by States.

“33308. Incentive Grants.

8 **“§ 33301. Definitions**

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

11 “(1) PASSENGER MOTOR VEHICLE.—The term  
 12 ‘passenger motor vehicle’ has the same meaning  
 13 given such term by section 32101(10), except, not-  
 14 withstanding section 32101(9), it includes a multi-  
 15 purpose passenger vehicle (constructed on a truck  
 16 chassis or with special features for occasional off-  
 17 road operation), a truck, other than a truck referred  
 18 to in section 32101(10)(B), and a pickup truck  
 19 when that vehicle or truck is rated by the manufac-  
 20 turer of such vehicle or truck at not more than

1 10,000 pounds gross vehicle weight, and it only in-  
2 cludes a vehicle manufactured primarily for use on  
3 public streets, roads, and highways.

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

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

17 “(B) is a late model vehicle which has been  
18 wrecked, destroyed, or damaged, and to which  
19 an insurance company acquires ownership pur-  
20 suant to a damage settlement (except in the  
21 case of a settlement in connection with a recov-  
22 ered stolen vehicle, unless such vehicle sus-  
23 tained damage sufficient to meet the damage  
24 threshold prescribed by subparagraph (A)); or

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

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

20                 “(3) SALVAGE TITLE.—The term ‘salvage title’  
21                 means a passenger motor vehicle ownership docu-  
22                 ment issued by the State to the owner of a salvage  
23                 vehicle. A salvage title shall be conspicuously labeled  
24                 with the word ‘salvage’ across the front.

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

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

19                   “(B) any passenger motor vehicle which  
20                   was previously issued a salvage title, has passed  
21                   a State anti-theft inspection, has been issued a  
22                   certificate indicating that the passenger motor  
23                   vehicle has passed the required anti-theft in-  
24                   spection, and has, affixed to the driver’s door  
25                   jamb, a decal stating ‘Rebuilt Salvage Vehicle—

1           Anti-theft Inspection Passed/No Safety Inspec-  
2           tion Pursuant to National Criteria’ in those  
3           States not requiring a safety inspection pursu-  
4           ant to section 33302(b)(8).

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

15          “(6) NONREPAIRABLE VEHICLE.—The term  
16          ‘nonrepairable vehicle’ means any passenger motor  
17          vehicle, other than a flood vehicle, which is incapable  
18          of safe operation for use on roads or highways and  
19          which has no resale value except as a source of parts  
20          or scrap only or which the owner irreversibly des-  
21          ignates as a source of parts or scrap. Such pas-  
22          senger motor vehicle shall be issued a nonrepairable  
23          vehicle certificate and shall never again be titled or  
24          registered.

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

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

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

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

17                   “(B) has a retail value of more than  
18                   \$7,500.

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

22           “(10) RETAIL VALUE.—The term ‘retail value’  
23           means the actual cash value, fair market value, or  
24           retail value of a passenger motor vehicle as—

1           “(A) set forth in a current edition of any  
2 nationally recognized compilation (to include  
3 automated databases) of retail values; or

4           “(B) determined pursuant to a market sur-  
5 vey of comparable vehicles with regard to condi-  
6 tion and equipment.

7           “(11) COST OF REPAIRS.—The term ‘cost of re-  
8 pairs’ means the estimated retail cost of parts need-  
9 ed to repair the vehicle or, if the vehicle has been  
10 repaired, the actual retail cost of the parts used in  
11 the repair, and the cost of labor computed by using  
12 the hourly labor rate and time allocations that are  
13 reasonable and customary in the automobile repair  
14 industry in the community where the repairs are to  
15 be performed.

16           “(12) FLOOD VEHICLE.—

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

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

22                   “(ii) has been submerged in water to  
23 the point that rising water has reached  
24 over the door sill, has entered the pas-  
25 senger or trunk compartment, and has ex-

1 posed any electrical, computerized, or me-  
2 chanical component to water, except where  
3 a passenger motor vehicle which, pursuant  
4 to an inspection conducted by an insurance  
5 adjuster or estimator, a motor vehicle re-  
6 pairer or motor vehicle dealer in accord-  
7 ance with inspection guidelines or proce-  
8 dures established by the Secretary or the  
9 State, is determined—

10 “(I) to have no electrical, com-  
11 puterized, or mechanical components  
12 which were damaged by water; or

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

19 “(B) INSPECTION NOT REQUIRED FOR ALL  
20 FLOOD VEHICLES.—No inspection under sub-  
21 paragraph (A) shall be required unless the  
22 owner or insurer of the passenger motor vehicle  
23 is seeking to avoid a brand of ‘Flood’ pursuant  
24 to this chapter.

1           “(C) INSPECTION MUST BE BY INDE-  
2           PENDENT PARTY.—A motor vehicle repairer or  
3           motor vehicle dealer may not carry out an in-  
4           spection under subparagraph (A) on a pas-  
5           senger motor vehicle that has been repaired, or  
6           is to be sold or leased, by that repairer or deal-  
7           er.

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

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

22          **“§ 33302. Passenger motor vehicle titling**

23          “(a) CARRY-FORWARD OF STATE INFORMATION.—  
24          For any passenger motor vehicle, the ownership of which  
25          is transferred on or after the date that is 1 year after

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

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

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

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

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

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

19           “(5) The title documents shall maintain a uni-  
20 form layout, to be established in consultation with  
21 the States or an organization representing them.

22           “(6) A passenger motor vehicle designated as  
23 nonrepairable shall be issued a nonrepairable vehicle  
24 certificate and shall not be retitled.

1           “(7) No rebuilt salvage title shall be issued to  
2 a salvage vehicle unless, after the salvage vehicle is  
3 repaired or rebuilt, it complies with the requirements  
4 for a rebuilt salvage vehicle pursuant to section  
5 33301(4). Any State inspection program operating  
6 under this paragraph shall be subject to continuing  
7 review by and approval of the Secretary. Any such  
8 anti-theft inspection program shall include the fol-  
9 lowing:

10           “(A) A requirement that the owner of any  
11 passenger motor vehicle submitting such vehicle  
12 for an anti-theft inspection provide a completed  
13 document identifying the vehicle’s damage prior  
14 to being repaired, a list of replacement parts  
15 used to repair the vehicle, and proof of owner-  
16 ship of such replacement parts, as may be evi-  
17 denced by bills of sale, invoices, or, if such doc-  
18 uments are not available, other proof of owner-  
19 ship for the replacement parts. The owner shall  
20 also include an affirmation that the information  
21 in the declaration is complete and accurate and  
22 that, to the knowledge of the declarant, no sto-  
23 len parts were used during the rebuilding.

24           “(B) A requirement to inspect the pas-  
25 senger motor vehicle or any major part or any

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

1           such part may be legally removed or altered as  
2           provided for in section 511 of title 18, United  
3           States Code, and shall direct inspectors to  
4           adopt such procedures as may be necessary to  
5           prevent the seizure of a part from which the  
6           mark or vehicle identification number has been  
7           legally removed or altered.

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

23          “(9) No duplicate or replacement title shall be  
24          issued unless the word ‘duplicate’ is clearly marked  
25          on the face thereof and unless the procedures for

1 such issuance are substantially consistent with Rec-  
2 ommendation three of the Motor Vehicle Titling,  
3 Registration and Salvage Advisory Committee.

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

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

16 “(B) If an insurance company, pursuant to  
17 a damage settlement, acquires ownership of a  
18 passenger motor vehicle that has incurred dam-  
19 age requiring the vehicle to be titled as a sal-  
20 vage vehicle or nonrepairable vehicle, the insur-  
21 ance company or salvage facility or other agent  
22 on its behalf shall apply for a salvage title or  
23 nonrepairable vehicle certificate within 30 days  
24 after the title is properly assigned by the owner  
25 to the insurance company and delivered to the

1 insurance company or salvage facility or other  
2 agent on its behalf with all liens released.

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

9 “(i) the owner of the owner’s obliga-  
10 tion to apply for a salvage title or non-  
11 repairable vehicle certificate for the pas-  
12 senger motor vehicle; and

13 “(ii) the State passenger motor vehi-  
14 cle titling office that a salvage title or non-  
15 repairable vehicle certificate should be  
16 issued for the vehicle,

17 except to the extent such notification is prohib-  
18 ited by State insurance law. The notices shall  
19 be made in writing within 30 days after the in-  
20 surance company determines that the damage  
21 will require a salvage title or a nonrepairable  
22 certificate and that the vehicle will be left with  
23 the owner.

24 “(D) If a leased passenger motor vehicle  
25 incurs damage requiring the vehicle to be titled

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

16 “(E) Any person acquiring ownership of a  
17 damaged passenger motor vehicle that meets  
18 the definition of a salvage or nonrepairable ve-  
19 hicle for which a salvage title or nonrepairable  
20 vehicle certificate has not been issued, shall  
21 apply for a salvage title or nonrepairable vehicle  
22 certificate, whichever is applicable. This appli-  
23 cation shall be made before the vehicle is fur-  
24 ther transferred, but in any event, within 30  
25 days after ownership is acquired. The require-

1           ments of this subparagraph shall not apply to  
2           any scrap metal processor which acquires a pas-  
3           senger motor vehicle for the sole purpose of  
4           processing it into prepared grades of scrap and  
5           which so processes such vehicle.

6           “(F) State records shall note when a non-  
7           repairable vehicle certificate is issued. No State  
8           shall issue a nonrepairable vehicle certificate  
9           after 2 transfers of ownership.

10          “(G) When a passenger motor vehicle has  
11          been flattened, baled, or shredded, whichever  
12          comes first, the title or nonrepairable vehicle  
13          certificate for the vehicle shall be surrendered  
14          to the State within 30 days. If the second  
15          transferee on a nonrepairable vehicle certificate  
16          is unequipped to flatten, bale, or shred the vehi-  
17          cle, such transferee shall, at the time of final  
18          disposal of the vehicle, use the services of a pro-  
19          fessional automotive recycler or professional  
20          scrap processor who is hereby authorized to  
21          flatten, bale, or shred the vehicle and to effect  
22          the surrender of the nonrepairable vehicle cer-  
23          tificate to the State on behalf of such second  
24          transferee. State records shall be updated to in-  
25          dicate the destruction of such vehicle and no

1 further ownership transactions for the vehicle  
2 will be permitted. If different than the State of  
3 origin of the title or nonrepairable vehicle cer-  
4 tificate, the State of surrender shall notify the  
5 State of origin of the surrender of the title or  
6 nonrepairable vehicle certificate and of the de-  
7 struction of such vehicle.

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

21 “(I) After a passenger motor vehicle titled  
22 with a salvage title has passed the inspections  
23 required by the State, the inspection official will  
24 affix the secure decal required pursuant to sec-  
25 tion 33301(4) to the driver’s door jamb of the

1           vehicle and issue to the owner of the vehicle a  
2           certificate indicating that the passenger motor  
3           vehicle has passed the inspections required by  
4           the State. The decal shall comply with the per-  
5           manency requirements established by the Sec-  
6           retary.

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

18          “(11) A seller of a passenger motor vehicle that  
19          becomes a flood vehicle shall, prior to the time of  
20          transfer of ownership of the vehicle, give the trans-  
21          feree a written notice that the vehicle has been dam-  
22          aged by flood, provided such person has actual  
23          knowledge that such vehicle has been damaged by  
24          flood. At the time of the next title application for  
25          the vehicle, disclosure of the flood status shall be

1 provided to the applicable State with the properly  
2 assigned title and the word 'Flood' shall be conspicu-  
3 ously labeled across the front of the new title.

4 “(12) In the case of a leased passenger motor  
5 vehicle, the lessee, within 15 days of the occurrence  
6 of the event that caused the vehicle to become a  
7 flood vehicle, shall give the lessor written disclosure  
8 that the vehicle is a flood vehicle.

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

15 “(14) Ownership of a passenger motor vehicle  
16 may be transferred on a rebuilt salvage title, and a  
17 passenger motor vehicle for which a rebuilt salvage  
18 title has been issued may, if permitted by State law,  
19 be registered for use on the roads and highways.

20 “(15) Ownership of a passenger motor vehicle  
21 may only be transferred 2 times on a nonrepairable  
22 vehicle certificate. A passenger motor vehicle for  
23 which a nonrepairable vehicle certificate has been  
24 issued can never be titled or registered for use on  
25 roads or highways.



1 the vehicle, give the transferee a written disclosure  
2 that the vehicle is a rebuilt salvage vehicle when  
3 such person has actual knowledge of the status of  
4 such vehicle.

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

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

12 “(4) REGULATIONS.—The regulations pre-  
13 scribed by the Secretary shall provide the way in  
14 which information is disclosed and retained under  
15 paragraph (1).

16 “(b) LABEL REQUIREMENTS.—

17 “(1) IN GENERAL.—The Secretary shall by reg-  
18 ulation require that a label be affixed to the wind-  
19 shield or window of a rebuilt salvage vehicle before  
20 its first sale at retail containing such information re-  
21 garding that vehicle as the Secretary may require.  
22 The label shall be affixed by the individual who con-  
23 ducts the applicable State antitheft inspection in a  
24 participating State.

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

7           “(c) LIMITATION.—The requirements of subsections  
8           (a) and (b) shall only apply to a transfer of ownership  
9           of a rebuilt salvage vehicle where such transfer occurs in  
10          a State which, at the time of the transfer, is complying  
11          with subsections (a) and (b) of section 33302.

12          **“§ 33304. Report on funding**

13          “The Secretary shall, contemporaneously with the  
14          issuance of a final rule pursuant to section 33302(b), re-  
15          port to appropriate committees of Congress whether the  
16          costs to the States of compliance with such rule can be  
17          met by user fees for issuance of titles, issuance of registra-  
18          tions, issuance of duplicate titles, inspection of rebuilt ve-  
19          hicles, or for the State services, or by earmarking any  
20          moneys collected through law enforcement action to en-  
21          force requirements established by such rule.

22          **“§ 33305. Effect on State law**

23          “(a) IN GENERAL.—Unless a State is in compliance  
24          with subsection (c) of section 33302, effective on the date  
25          the rule promulgated pursuant to section 33302 becomes

1 effective, the provisions of this chapter shall preempt all  
2 State laws such a State that receives funds under section  
3 33308 of this chapter, to the extent they are inconsistent  
4 with the provisions of this chapter or the rule promulgated  
5 pursuant to section 33302, which—

6           “(1) set forth the form of the passenger motor  
7 vehicle title;

8           “(2) define, in connection with a passenger  
9 motor vehicle (but not in connection with a pas-  
10 senger motor vehicle part or part assembly separate  
11 from a passenger motor vehicle), any term defined  
12 in section 33301 or the terms ‘salvage’, ‘nonrepair-  
13 able’, or ‘flood’, or apply any of those terms to any  
14 passenger motor vehicle (but not to a passenger  
15 motor vehicle part or part assembly separate from a  
16 passenger motor vehicle); or

17           “(3) set forth titling, recordkeeping, anti-theft  
18 inspection, or control procedures in connection with  
19 any salvage vehicle, rebuilt salvage vehicle, non-  
20 repairable vehicle, or flood vehicle.

21           “(b) EXCEPTIONS.—

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

1           “(A) ‘passenger motor vehicle’ in statutes  
2           not related to titling, recordkeeping, anti-theft  
3           inspection, or control procedures in connection  
4           with any salvage vehicle, rebuilt salvage vehicle,  
5           nonrepairable vehicle, or flood vehicle ; or

6           “(B) ‘older model salvage’ to designate a  
7           wrecked, destroyed, or damaged vehicle that is  
8           older than a late model vehicle.

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

12          “(c) CONSTRUCTION.—Additional disclosures of a  
13          passenger motor vehicle’s title status or history, in addi-  
14          tion to the terms defined in section 33301, shall not be  
15          deemed inconsistent with the provisions of this chapter.  
16          Such disclosures shall include disclosures made on a cer-  
17          tificate of title. When used in connection with a passenger  
18          motor vehicle (but not in connection with a passenger  
19          motor vehicle part or part assembly separate from a pas-  
20          senger motor vehicle), any definition of a term defined in  
21          section 33301 which is different than the definition in that  
22          section or any use of any term listed in subsection (a),  
23          but not defined in section 33301, shall be deemed incon-  
24          sistent with the provisions of this chapter. Nothing in this  
25          chapter shall preclude a State from disclosing on a rebuilt

1 salvage title that a rebuilt salvage vehicle has passed a  
2 State safety inspection which differed from the nationally  
3 uniform criteria to be promulgated pursuant to section  
4 33302(b)(8).

5 **“§ 33306. Civil penalties**

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

8 “(1) make or cause to be made any false state-  
9 ment on an application for a title (or duplicate title)  
10 for a passenger motor vehicle or any disclosure made  
11 pursuant to section 33303;

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

14 “(3) alter, forge, or counterfeit a certificate of  
15 title (or an assignment thereof), a nonrepairable ve-  
16 hicle certificate, a certificate verifying an anti-theft  
17 inspection or an anti-theft and safety inspection, a  
18 decal affixed to a passenger motor vehicle pursuant  
19 to section 33302(b)(10)(I), or any disclosure made  
20 pursuant to section 33303;

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

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

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

3           “(7) fail to make any disclosure required by  
4 section 33303;

5           “(8) violate a regulation prescribed under this  
6 chapter;

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

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

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

18 **“§ 33307. Actions by States**

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

23           “(1) to restrain the violation;

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

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

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

9           “(c) NOTICE.—The State shall serve prior written no-  
10          tice of any action under subsection (a) or (f)(2) upon the  
11          Attorney General of the United States and provide the At-  
12          torney General with a copy of its complaint, except that  
13          if it is not feasible for the State to provide such prior no-  
14          tice, the State shall serve such notice immediately upon  
15          instituting such action. Upon receiving a notice respecting  
16          an action, the Attorney General shall have the right—

17                 “(1) to intervene in such action;

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

20                 “(3) to file petitions for appeal.

21          “(d) CONSTRUCTION.—For purposes of bringing any  
22          action under subsection (a), nothing in this Act shall pre-  
23          vent an attorney general from exercising the powers con-  
24          ferred on the attorney general by the laws of such State  
25          to conduct investigations or to administer oaths or affir-

1 mations or to compel the attendance of witnesses or the  
2 production of documentary and other evidence.

3 “(e) VENUE; SERVICE OF PROCESS.—Any action  
4 brought under subsection (a) in a district court of the  
5 United States may be brought in the district in which the  
6 defendant is found, is an inhabitant, or transacts business  
7 or wherever venue is proper under section 1391 of title  
8 28, United States Code. Process in such an action may  
9 be served in any district in which the defendant is an in-  
10 habitant or in which the defendant may be found.

11 “(f) ACTIONS BY STATE OFFICIALS.—

12 “(1) Nothing contained in this section shall  
13 prohibit an attorney general of a State or other au-  
14 thorized State official from proceeding in State court  
15 on the basis of an alleged violation of any civil or  
16 criminal statute of such State, including those re-  
17 lated to consumer protection.

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

23 **“§ 33308. Incentive Grants**

24 “(a) GENERAL AUTHORITY.—The Secretary of  
25 Transportation shall make a grant to each State that dem-

1 onstrates to the satisfaction of the Secretary that it is tak-  
2 ing appropriate actions to implement the provisions of this  
3 chapter.

4 “(b) GRANTS.—Pursuant to subsection (a), a grant  
5 to carry out this chapter in a fiscal year shall be provided  
6 to each qualifying State in an amount determined by  
7 multiplying—

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

10 “(2) the ratio that the amount of funds appor-  
11 tioned to each qualifying State under section 402 of  
12 title 23, United States Code, for the fiscal year  
13 bears to the total amount of funds apportioned to all  
14 qualifying States under section 402 of title 23,  
15 United States Code, for such fiscal year, except that  
16 no State eligible for a grant under this paragraph  
17 shall receive less than \$250,000.

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

24 “(d) AUTHORIZATION OF APPROPRIATIONS.—

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

4           “(2) AVAILABILITY OF FUNDS.—Funds author-  
5           ized by this section shall remain available until ex-  
6           pended.”.

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

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

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

12          (a) DEFINITIONS.—

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

15               “(4) ‘nonrepairable vehicle’, ‘salvage vehicle’,  
16               ‘flood vehicle’, and ‘rebuilt salvage vehicle’ have the  
17               same meanings given those terms in section 33301  
18               of this title.”.

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

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

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

4           (b) NATIONAL MOTOR VEHICLE TITLE INFORMA-  
5 TION SYSTEM.—

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

8           “(3) whether an automobile known to be titled  
9 in a particular State is or has been a nonrepairable  
10 vehicle, a rebuilt salvage vehicle, a flood vehicle, or  
11 a salvage vehicle;”.

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

14           “(5) whether an automobile bearing a known  
15 vehicle identification number has been reported as a  
16 nonrepairable vehicle, a rebuilt salvage vehicle, a  
17 flood vehicle, or a salvage vehicle under section  
18 30504 of this title.”.

19           (c) STATE PARTICIPATION.—Section 30503 of title  
20 49, United States Code, is amended to read as follows:

21 **“§ 30503. State participation**

22           “(a) STATE INFORMATION.—Each State receiving  
23 funds appropriated under subsection (c) shall make titling  
24 information maintained by that State available for use in  
25 operating the National Motor Vehicle Title Information

1 System established or designated under section 30502 of  
2 this title.

3 “(b) VERIFICATION CHECKS.—Each State receiving  
4 funds appropriated under subsection (c) shall establish a  
5 practice of performing an instant title verification check  
6 before issuing a certificate of title to an individual or enti-  
7 ty claiming to have purchased an automobile from an indi-  
8 vidual or entity in another State. The check shall consist  
9 of—

10 “(1) communicating to the operator—

11 “(A) the vehicle identification number of  
12 the automobile for which the certificate of title  
13 is sought;

14 “(B) the name of the State that issued the  
15 most recent certificate of title for the auto-  
16 mobile; and

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

19 “(2) giving the operator an opportunity to com-  
20 municate to the participating State the results of a  
21 search of the information.

22 “(c) GRANTS TO STATES.—

23 “(1) In cooperation with the States and not  
24 later than January 1, 1994, the Attorney General  
25 shall—

1           “(A) conduct a review of systems used by  
2           the States to compile and maintain information  
3           about the titling of automobiles; and

4           “(B) determine for each State the cost of  
5           making titling information maintained by that  
6           State available to the operator to meet the re-  
7           quirements of section 30502(d) of this title.

8           “(2) The Attorney General may make reason-  
9           able and necessary grants to participating States to  
10          be used in making titling information maintained by  
11          those States available to the operator.

12          “(d) REPORT TO CONGRESS.—Not later than Octo-  
13          ber 1, 1999, the Attorney General shall report to Congress  
14          on which States have met the requirements of this section.  
15          If a State has not met the requirements, the Attorney  
16          General shall describe the impediments that have resulted  
17          in the State’s failure to meet the requirements.”.

18          (d) REPORTING REQUIREMENTS.—Section 30504 of  
19          title 49, United States Code, is amended by striking “junk  
20          automobiles or salvage automobiles” every place it appears  
21          and inserting “nonrepairable vehicles, rebuilt salvage vehi-  
22          cles, flood vehicles, or salvage vehicles”.

1 **SEC. 4. DEALER NOTIFICATION PROGRAM FOR PROHIB-**  
2 **ITED SALE OF NONQUALIFYING VEHICLES**  
3 **FOR USE AS SCHOOLBUSES.**

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

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

○