

**HB1199/550315/1**

BY: Environmental Matters Committee

AMENDMENTS TO HOUSE BILL 1199

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, after “of” insert “creating a certain additional salvage application statement that an insurance company is required to provide under certain circumstances;”; in line 5, after “program;” insert “providing that a certain cost of repair calculation may not affect certain rights of certain persons; requiring the Motor Vehicle Administration to adopt certain regulations in consultation with certain persons; exempting certain vehicles with certain damage from the requirement to obtain a Maryland Safety Inspection under certain circumstances; establishing an additional brand that the Administration is required to place on a motor vehicle certificate of title under certain circumstances;”; strike beginning with “providing” in line 5 down through “circumstances;” in line 9 and substitute “altering a certain definition;”; in line 13, before “13-506” insert “11-152;”; and in the same line, strike “and 13-506.1” and substitute “, 13-506.1, and 13-507”.

AMENDMENT NO. 2

On page 1, after line 18, insert:

“11-152.

(a) “Salvage” means any vehicle that:

(1) Has been damaged by collision, fire, flood, accident, trespass, or other occurrence to the extent that the cost to repair the vehicle for legal operation on a highway exceeds 75% of the fair market value of the vehicle prior to sustaining the damage, AS DETERMINED UNDER § 13-506(C)(4) OF THIS ARTICLE;

(Over)

(2) Has been acquired by an insurance company as a result of a claim settlement; or

(3) Has been acquired by an automotive dismantler and recycler:

(i) As an abandoned vehicle, as defined under § 25-201 of this article; or

(ii) For rebuilding or for use as parts only.

(b) For purposes of this section, a vehicle has not been acquired by an insurance company if an owner retains possession of the vehicle upon settlement of a claim concerning the vehicle by the insurance company.”.

AMENDMENT NO. 3

On page 3, in line 13, strike “or”; in line 14, strike “and” and substitute “**OR**”; after line 14, insert:

**“6. THE VEHICLE HAS BEEN ACQUIRED BY AN INSURANCE COMPANY AS A RESULT OF A CLAIM SETTLEMENT AND THE COST TO REPAIR THE VEHICLE IS 75% OR LESS OF THE FAIR MARKET VALUE OF THE VEHICLE PRIOR TO SUSTAINING THE DAMAGE FOR WHICH THE CLAIM WAS PAID; AND”;**

in line 21, after the first “**OF**” insert “**§ 11-152 OF THIS ARTICLE AND**”; in line 22, after “**USE**” insert “**THE COST OF**”; in line 23, strike “**THE COST OF TOWING**” and substitute “**TOWING**”; and strike in their entirety lines 25 through 32, inclusive, and substitute:

**“(II) REPAIRING NONSTRUCTURAL DAMAGE.**

(5) THE CALCULATION UNDER THE 75% COST OF REPAIR THRESHOLD UNDER PARAGRAPH (2) OF THIS SUBSECTION MAY NOT AFFECT THE RIGHT OF AN INSURER OR A VEHICLE OWNER TO MAKE AN ECONOMIC OR SAFETY RELATED DECISION TO NOT REPAIR THE VEHICLE.

(6) THE ADMINISTRATION, IN CONSULTATION WITH THE DEPARTMENT OF STATE POLICE AND OTHER INTERESTED PARTIES, SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SUBSECTION.

AMENDMENT NO. 4

On page 4, in line 18, strike the brackets; and strike beginning with the colon in line 18 down through "MILES" in line 22.

AMENDMENT NO. 5

On page 5, in line 4, strike "2,"; in lines 9 and 21, in each instance, strike ", 2,"; and after line 23, insert:

"13-507.

(a) (1) An application for a certificate of title of a vehicle for which a salvage certificate has been issued shall be made by the owner of the vehicle on a form that the Administration requires.

(2) An application under paragraph (1) of this subsection shall be accompanied by:

(i) Except as provided in subsection (c)(3) of this section, the salvage certificate for the vehicle;

(ii) [A] EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION, A certificate of inspection issued by a county police department or the Department of State Police; and

(iii) A certificate of inspection as required under Title 23 of this article.

(3) (i) The Administration may establish a fee for an inspection under paragraph (2)(ii) of this subsection.

(ii) 1. The fees established under this paragraph shall be collected by the Administration or the Automotive Safety Enforcement Division of the Department of State Police.

2. The fees collected under this subparagraph shall be paid to the Automotive Safety Enforcement Division of the Department of State Police for the purpose of recovering the cost of administering the salvage inspection program and may not be credited to the Gasoline and Motor Vehicle Revenue Account for distribution under § 8-403 or § 8-404 of this article.

**(4) A CERTIFICATE OF INSPECTION IS NOT REQUIRED IF THE SALVAGE CERTIFICATE BEARS A NOTATION UNDER § 13-506(C)(2)(II)2 OF THIS SUBTITLE AND THE ORIGINAL OWNER OF THE VEHICLE RETAINS POSSESSION OF THE VEHICLE AFTER THE CLAIM SETTLEMENT.**

(b) (1) The certificate of title issued by the Administration shall be:

(i) Issued in the name of the applicant; and

(ii) In a form as provided in this subsection.

(2) (i) The Administration shall issue a certificate of title that contains a conspicuous notation that the vehicle is “rebuilt salvage” if the salvage certificate accompanying the application bears a notation under § 13–506(c)(2)(ii)1 of this subtitle.

(ii) The Administration may not issue a certificate of title for a vehicle if the salvage certificate for the vehicle bears a notation under § 13–506(c)(2)(ii)3 of this subtitle.

(3) [The Administration shall issue a certificate of title that contains a conspicuous notation that the vehicle sustained cosmetic damage if the salvage certificate accompanying the application bears a notation under § 13–506(c)(2)(ii)2 of this subtitle.

(4) The Administration shall issue a certificate of title that contains a conspicuous notation that the vehicle is “Flood Damaged” if the salvage certificate accompanying the application bears a notation under § 13–506(c)(2)(ii)5 of this subtitle.

[(5) Except for a flood damaged vehicle, the Administration shall issue a certificate of title that does not bear a notation or other similar statement under this section if an insurance company makes a claim settlement on a vehicle that has sustained damage that costs 75% or less than the fair market value of the vehicle to repair.]

**(4) THE ADMINISTRATION SHALL ISSUE A CERTIFICATE OF TITLE THAT CONTAINS A CONSPICUOUS NOTATION THAT THE VEHICLE IS “X-SALVAGE” IF THE SALVAGE CERTIFICATE ACCOMPANYING THE APPLICATION BEARS A NOTATION UNDER § 13-506(C)(2)(II)6 OF THIS SUBTITLE OR IS ISSUED UNDER § 13-506(D) OF THIS SUBTITLE.**

(c) (1) When an insurance company makes a claim settlement on a vehicle that has been stolen, the company shall apply for a salvage certificate as provided in § 13–506(c) of this subtitle.

(2) On receipt of an application under this subsection, the Administration:

(i) Shall make the appropriate notation in its records; and

(ii) May not issue the salvage certificate until the vehicle is recovered.

(3) When a vehicle that has been stolen is recovered, the Administration shall:

(i) Issue a salvage certificate for the vehicle if the insurance company submits a certification under § 13–506(c)(2)(i)1, 2, 3, [or] 5, OR 6 of this subtitle; or

(ii) Issue a certificate of title in the name of the insurance company in lieu of a salvage certificate if the insurance company states that the vehicle has sustained damage, except for flood damage, that costs 75% or less than the fair market value of the vehicle to repair.

(4) The provisions of subsection (b) of this section apply to a certificate of title issued under this subsection.

(5) A vehicle for which a certificate of title was issued under paragraph (3)(ii) of this subsection is exempt from the vehicle excise tax as provided in § 13–810(a)(9) of this title.

(d) If the Administration receives an application for a certificate of title for a vehicle accompanied by an ownership document issued by another state containing a notation under the laws of the issuing state that the vehicle is in a condition that is substantially similar to a vehicle that is rebuilt salvage under Maryland law, the certificate of title issued by the Administration shall contain a similar notation.

(e) The Administration may adopt regulations to implement this section.”.