

SB96 ENGROSSED



1 SB96
2 EBWV229-2
3 By Senator Carnley
4 RFD: Banking and Insurance
5 First Read: 05-Feb-25



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A BILL
TO BE ENTITLED
AN ACT

Relating to salvage vehicle certificates of title; to amend Section 32-8-87, Code of Alabama 1975; to provide that Alabama vehicle owners may apply for a salvage certificate of title if their vehicle is declared a loss in any state; and to make nonsubstantive, technical revisions to update the existing code language to current style.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 32-8-87 of the Code of Alabama 1975, is amended to read as follows:

"§32-8-87

(a) (1) Each owner of a motor vehicle and each ~~person~~ individual mentioned as owner in the last certificate of title who scraps, dismantles, destroys, or changes the motor vehicle in such a manner that it is not the same motor vehicle described in the certificate of origin or certificate of title shall as soon as practicable cause the certificate of origin or certificate of title, if any, and any other documents or information required by the department to be mailed or delivered to the department for processing.

(2) The department ~~shall~~, with the consent of any



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holder of liens noted on the surrendered certificate, shall enter a cancellation upon its records. Upon cancellation of a certificate of origin or certificate of title in the manner prescribed by this section, the department shall cancel all certificates of origin or certificates of title in that chain of title. A certificate of title for the vehicle shall not again be issued except upon application containing the information the department requires, accompanied by a certificate of inspection in the form and content as specified in this section.

(3) No motor vehicle for which a salvage or junk certificate has been issued by this state or any other state shall be driven or operated on the highways or other public places of this state. A vehicle which is in this state and for which a salvage certificate has been issued, and the vehicle is being restored to its operating condition which existed prior to the event which caused the salvage certificate of title to issue, may be moved to and from repair points as necessary by the rebuilder to complete the restoration or may be moved as permitted by the ~~Department of Revenue~~ department for inspection or for any other purpose. A valid Alabama dealer license plate shall be displayed on the vehicle during its movement. ~~A person~~ An individual who violates this ~~subsection~~ subdivision shall, upon conviction, be guilty of a Class A misdemeanor ~~and shall be punishable as required by law.~~

(b) (1) When the frame or engine is removed from a motor vehicle and not immediately replaced by another frame or



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engine, or when an insurance company has paid money or made other monetary settlement as compensation for a total loss of any motor vehicle, the motor vehicle shall be considered to be salvage.

The owner of every motor vehicle in which the total loss or salvage has occurred and which has a current title issued in this state or the vehicle is located in this state at the time of title application or branding or both, or the owner is an Alabama resident~~in this state, shall~~, within 72 hours after the total loss or salvage occurs, shall make application for a salvage certificate of title and forward to the department the certificate of origin or certificate of title to the motor vehicle,~~whereupon~~ and the department shall process the certificate of origin or certificate of title in a manner prescribed by law or ~~regulation~~ rule.

An insurance company~~which~~ that pays money or makes other monetary settlement as compensation for total loss of a motor vehicle shall at the time of payment or monetary settlement obtain the vehicle's properly assigned certificate of origin or certificate of title and, as soon as practicable after receiving it, shall forward it along with their application for a salvage certificate, to the department for processing.

In the event the payment or monetary settlement was made because of the theft of the vehicle, which shall be considered a total loss as defined in this section, the insurance company shall forward the vehicle's properly assigned certificate of origin or certificate of title as



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provided herein, to the department as soon as practicable after the vehicle is recovered.

(2) When a stolen motor vehicle has been reported to the department in compliance with this section and is later recovered, and for which a salvage certificate has been issued, the owner recorded on the salvage certificate shall assign that certificate to the purchaser. ~~A person~~ An individual who violates this subsection shall, upon conviction, be guilty of a Class A misdemeanor ~~and shall be punishable as required by law.~~

(c) If an insurance company acquires a motor vehicle in settlement of an insurance claim and holds the vehicle for resale and procures the certificate of origin or certificate of title from the owner or lienholder within 15 days after delivery of the vehicle to the insurance company, and if the vehicle was not a total loss as defined by ~~this section~~ subsection (d), the insurance company need not send the certificate of origin or certificate of title to the department but, upon transferring the vehicle to another ~~person~~ individual, other than by the creation of a security interest, the insurance company shall complete an affidavit of acquisition and disposition of the motor vehicle on a form prescribed by the department and deliver the certificate of origin or certificate of title, affidavit, and any other documents required by the department to the transferee at the time of delivery of the motor vehicle.

(d) (1) For the purposes of this section, a total loss shall occur when an insurance company or any other ~~person~~



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113 individual pays or makes other monetary settlement to ~~a person~~
114 an individual when a vehicle is damaged and the damage to the
115 vehicle is greater than or equal to 75 percent of the fair
116 retail value of the vehicle prior to damage as set forth in a
117 current edition of a nationally recognized compilation of
118 retail values, including automated ~~data bases~~ databases.

119 The compensation for total loss as defined in this
120 subsection shall not include payments by an insurer or other
121 ~~person~~ individual for medical care, bodily injury, vehicle
122 rental, or for anything other than the amount paid for the
123 actual damage to the motor vehicle. A vehicle that has
124 sustained minor damage as a result of theft or vandalism shall
125 not be considered a total loss.

126 Any ~~person~~ individual acquiring ownership of a damaged
127 motor vehicle that meets the definition of total loss for
128 which a salvage title has not been issued shall apply for a
129 salvage title, other than a scrap metal processor acquiring
130 ~~such~~ the vehicle for purposes of recycling into metallic scrap
131 for remelting purposes only. This application shall be made
132 before the vehicle is further transferred, but in any event,
133 within 30 days after ownership is acquired.

134 (e) It shall be unlawful for the owner of any junkyard,
135 salvage yard, or automotive dismantler and parts recycler or
136 his or her agents or employees to have in their possession any
137 motor vehicle ~~which~~ that is junk or salvage or a total loss
138 when the manufacturer's vehicle identification number plate or
139 plates, authorized replacement vehicle identification number
140 plate or plates, or serial plate or plates have been removed,



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141 unless previously required to be removed by a statute or law
142 of this state or another jurisdiction. ~~A person~~ An individual
143 who violates this subsection shall, upon conviction, be guilty
144 of a Class A misdemeanor ~~and shall be punishable as required~~
145 ~~by law.~~

146 (f) It shall be unlawful for ~~a person, firm, or~~
147 ~~corporation~~ an individual to possess, sell or exchange, offer
148 to sell or exchange, or to give away any certificate of
149 origin, certificate of title, salvage certificate of title,
150 manufacturer's identification number plate ~~or plates,~~
151 authorized replacement vehicle identification number plate ~~or~~
152 ~~plates,~~ serial plate ~~or plates,~~ or motor vehicle license plate
153 ~~or plates~~ of any motor vehicle ~~which~~ that has been scrapped,
154 dismantled, or sold as junk or salvage or as a total loss
155 ~~contrary to~~ in violation of this section, subsection. An
156 individual who violates this subsection shall ~~and every~~
157 ~~officer, agent, or employee of a person, firm, or corporation,~~
158 ~~and every person who shall authorize, direct, aid in or~~
159 ~~consent to the possession, sale or exchange, or offer to sell,~~
160 ~~exchange, or give away such certificate of origin, certificate~~
161 ~~of title, salvage certificate of title, manufacturer's vehicle~~
162 ~~identification number plate or plates, authorized replacement~~
163 ~~vehicle identification number plate or plates, serial plate or~~
164 ~~plates, or motor vehicle license plate or plates contrary to~~
165 ~~this section, shall, upon conviction,~~ be guilty of a Class A
166 misdemeanor ~~and shall be punishable as required by law.~~

167 (g) The department ~~is authorized~~ may to issue a salvage
168 certificate of title for a fee of fifteen dollars (\$15), on a



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form prescribed by the department which shall provide for assignments of ~~this~~ the salvage certificate of title. The salvage certificate of title ~~is to~~ shall replace a certificate of origin or certificate of title required to be surrendered by this section. The department shall prescribe necessary forms and procedures to comply with this subsection.

(h) It shall be unlawful for ~~a person~~ an individual to sign as assignor or for ~~a person~~ an individual to have in his or her possession a salvage certificate of title ~~which~~ that has been signed by the owner as assignor without the name of the assignee and other information called for on the form prescribed by the department. ~~A person~~ An individual who violates this subsection, upon conviction, shall be guilty of a Class A misdemeanor ~~and shall be punishable as required by law~~.

(i) Every owner of a salvage or junk motor vehicle who sells or transfers the vehicle to any ~~person~~ individual shall provide at the time of the sale or transfer a properly executed assignment and warranty of title to the transferee in the space provided therefor on the salvage certificate of title or junk certificate of title or as the department prescribes. ~~A person~~ An individual who willfully violates this subsection shall, upon conviction, be guilty of a Class A misdemeanor ~~and shall be punishable as required by law~~.

(j) (1) The department may issue a certificate of title to any motor vehicle for which a salvage certificate has been issued by this or any other state, and the vehicle has, in this state, been completely restored to its operating



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condition which existed prior to the event which caused the salvage certificate of title to issue, provided that all requirements of this section have been met.

(2) The department may issue a certificate of title for any motor vehicle for which a salvage certificate of title has been issued by this or any other state or when the department has evidence that a salvage title should have been issued by this or any other state, and the vehicle has been completely restored outside of this state to its operating condition which existed prior to the event which caused the salvage certificate of title to be issued, provided the department is satisfied that the vehicle was rebuilt in the other state in accordance with that state's salvage rebuilding laws.

(3) Any motor vehicle for which a certificate of title has been issued by any state with the notation of junk, parts car, parts only, nonrebuildable, or when a certificate of destruction or bill of sale has been issued for transfer of the vehicle with similar language shall be considered to be a junk vehicle and shall not be titled in this state.

(4) Notwithstanding any other provision of this subsection~~In addition~~, no certificate of title may be issued for any vehicle where the frame or the majority of the major component parts were obtained from a junk vehicle~~as previously defined~~.

(k) Every owner of a salvage motor vehicle designated a 1975 year model and all models subsequent thereto which is in this state and which has been restored in this state to its operating condition which existed prior to the event which



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caused the salvage certificate of title to issue shall make application to the department for an inspection of the vehicle in the form and content as determined by the department. Each application for inspection of a salvage vehicle which has been so restored shall be accompanied by all of the following:

(1) The outstanding salvage certificate or out-of-state title previously issued for the salvage vehicle.

(2) Notarized bills of sale evidencing acquisition of all major component parts, ~~listing the manufacturer's vehicle identification number of the vehicle from which the parts were removed, if parts contain or should contain the manufacturer's vehicle identification number~~ used to restore the vehicle and bills of sale evidencing acquisition of all minor component parts. Notarization shall not be required on bills of sale for minor component parts; provided, that a notarized bill of sale which lists the manufacturer's vehicle identification number of the vehicle from which the parts were removed, if parts contain or should contain the manufacturer's vehicle identification number, shall be required for a transmission.

(3) Evidence that the owner is a licensed motor vehicle rebuilder, as defined in Section 40-12-390, unless otherwise exempt from the licensing requirement by Chapter 12 of Title 40. Notwithstanding the foregoing, where an owner acquires an Alabama salvage certificate of title to his or her own vehicle from his or her insurance company in settlement of a claim, a prior registration or other documentation that shows that the owner owned the vehicle prior to the salvage title being issued may be submitted in lieu of a rebuilder's license.



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(4) ~~The owner shall also provide a~~ A written affirmation ~~which states~~ by the owner stating all of the following:

a. The actions taken to restore the vehicle to its operating condition which existed prior to the event which caused the salvage certificate to issue.

b. That the owner personally inspected the completed vehicle and it complies with all safety requirements set forth by the State of Alabama and any regulations ~~promulgated~~ adopted thereunder.

c. That the identification numbers of the restored vehicle and its parts have not, to the knowledge of the owner, been removed, destroyed, falsified, altered, or defaced.

d. That the salvage certificate document or out-of-state title certificate attached to the application has not to the knowledge of the owner been forged, falsified, altered, or counterfeited.

e. That all information contained on the application and its attachments is true and correct to the knowledge of the owner.

~~f. The~~ An acknowledgment that the owner, as specified in subsection (r), shall be required to post a bond in accordance with Section 32-8-36 in the event that the owner cannot provide any information required in this subsection ~~(k)~~ or any other information specified by the department.

(1) The application fee for each inspection of a restored vehicle shall be seventy-five dollars (\$75), payable to the department in a manner as prescribed by the department,



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281 ~~which~~ and shall accompany the application.

282 (1) All application fees and title fees received by the
283 department pursuant to this subsection shall be applied toward
284 the personnel and maintenance costs of the vehicle inspection
285 program and the vehicle inspection program shall be conducted
286 by the office of investigations and inspections of the
287 department. Upon receipt of the application for inspection,
288 application fee of seventy-five dollars (\$75), its supporting
289 documents, and title fee of fifteen dollars (\$15), payable to
290 the department in a manner as prescribed by the department,
291 the department shall require an inspection to be made of the
292 title and the vehicle by qualified agents or law enforcement
293 officers of the department.

294 (2) The inspection and certification shall include an
295 examination of the vehicle and its parts to determine that the
296 identification numbers of the vehicle or its parts have not
297 been removed, falsified, altered, defaced, destroyed, or
298 tampered with; that the vehicle information contained in the
299 application for certificate of title and supporting documents
300 is true and correct; and that there are no indications that
301 the vehicle or any of its parts are stolen. The certification
302 shall not attest to the roadworthiness or safety condition of
303 the vehicle.

304 (m) Component parts are defined as:

305 (1) PASSENGER VEHICLES.

306 a. Major components:

307 1. Motor or engine.

308 2. Trunk floor pan or rear section and roof.



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309 3. Frame or any portion thereof, ~~except frame horn~~,
310 or, in the case of a unitized body, the supporting structure
311 which serves as the frame, except when it is a part of the
312 trunk floor pan, or rear section and roof.

313 4. Cowl, firewall, or any portion thereof.

314 5. Roof assembly.

315 b. Minor components:

316 1. Each door allowing entrance to or egress from the
317 passenger compartment.

318 2. Hood.

319 3. Each front fender or each rear fender when used with
320 a rear section and roof.

321 4. Deck lid, tailgate, or hatchback, ~~whichever is~~
322 ~~present~~.

323 5. Each quarter panel.

324 6. Each bumper.

325 7. T-tops, moon roof, or whichever is present.

326 8. Transmission or trans-axle.

327 (2) TRUCK, TRUCK TYPE, OR BUS TYPE VEHICLE.

328 a. Major components:

329 1. Motor or engine.

330 2. Transmission or trans-axle.

331 3. Frame or any portion thereof, ~~except frame horn~~,
332 or, in the case of a unitized body, the supporting structure
333 which serves as the frame.

334 4. Cab.

335 5. Cowl or firewall or any portion thereof.

336 6. Roof assembly.



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7. Cargo compartment floor panel or passenger compartment floor pan.

b. Minor components:

1. Each door.

2. Hood.

3. Grill, except on one ton or smaller trucks.

4. Each bumper.

5. Each front fender.

6. Roof panel and rear cab panel.

7. Each rear fender or side panel.

8. Pickup box.

9. Body or bed.

(3) MOTORCYCLE: COMPONENT PARTS.

a. Engine or motor.

b. Transmission or trans-axle.

c. Frame.

d. Front fork.

e. Crankcase.

(n) A salvage vehicle ~~which~~ that has been restored in this state to its operating condition which existed prior to the event which caused the salvage certificate of title to issue shall be issued a certificate of title which shall contain the word "rebuilt."

(o) (1) Each salvage vehicle restored or rebuilt in this state which is required to be inspected by the department pursuant to subsection (1) and for which a certificate of title may be issued pursuant to subsection (n) shall be issued a decal, plate, or other emblem as prescribed by the



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department to reflect that the vehicle is rebuilt. The decal, plate, or other emblem shall be attached to the vehicle in a place and in a manner prescribed by the department.

(2) ~~A person~~ An individual who willfully removes, mutilates, tampers with, obliterates, or destroys a decal, plate, or other emblem issued and attached to a salvage vehicle pursuant to this subsection is guilty of a Class A misdemeanor ~~punishable as provided by law.~~

(p) ~~Each person~~ individual who sells, exchanges, delivers, or otherwise transfers any interest in any vehicle for which a title bearing the designation salvage or rebuilt has been issued shall disclose in writing the existence of this title to the prospective purchaser, recipient in exchange, recipient by donation, or recipient by other act of transfer. The disclosure, which shall be made at the time of or prior to the completion of the sale, exchange, donation, or other act of transfer, shall contain the following information in no smaller than 10 point type: "This vehicle's title contains the designation salvage or rebuilt."

(q) (1) Any motor vehicle for which an insurance company has paid a total loss due, in part, to being damaged by water shall be deemed a flood vehicle. The motor vehicle's certificate of title and every subsequent certificate of title shall contain the designation "flood vehicle."

(2) ~~Each person~~ individual who sells, exchanges, donates, delivers, or otherwise transfers any interest for which a certificate of title bearing the designation flood vehicle has been issued shall disclose in writing the



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existence of this designation to the prospective purchaser, recipient in exchange, recipient by donation, or recipient by other act of transfer. The disclosure shall be made at the time of or prior to the completion of the sale, exchange, donation, delivery, or other act of transfer and shall contain the following information in no smaller than 10 point type:

"The certificate of title of this motor vehicle contains the designation flood vehicle."

(r) If an owner acquires a salvage vehicle for which a previous insurer or owner did not properly obtain a salvage title from this or any other state or the vehicle was rebuilt by a rebuilder who is no longer licensed as a rebuilder, the current owner may proceed as provided in subsection (k) and apply for an inspection of the vehicle. In any case where the department has determined that an insurer or prior owner did not properly obtain a salvage certificate of title, a prior registration or other documentation that shows that the owner owned the vehicle prior to the notification by the department may be submitted in lieu of a rebuilder's license.

(s) (1) a. A licensed automotive dismantler and parts recycler as defined in Section 40-12-410, secondary metals recycler as defined in Section 13A-8-30, who acquires a motor vehicle for the purpose of dismantling it or recycling it into metallic scrap for melting purposes, or any person individual who crushes a motor vehicle acquired from anyone other than a licensed automotive dismantler and parts recycler or a secondary metal recycler, except as provided in subdivision (2), shall surrender any certificate of title received to the



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department for cancellation in a manner as prescribed by the department. A notice of cancellation shall be submitted and a receipt of the notice shall be obtained from the department prior to crushing the vehicle or dismantling the vehicle or recycling it into metallic scrap for remelting purposes. A licensed automotive dismantler and parts recycler or secondary metals recycler shall file the notice electronically and the department, at the time of filing, shall provide the filer with an electronic notice of receipt. The licensed automotive dismantler and parts recycler or secondary metals recycler shall maintain the properly assigned original certificate of title when the notice is filed electronically. The department shall verify through its records that the title is the current title of the motor vehicle and that the vehicle is not reported as stolen prior to issuing the receipt.

b. Each licensed automotive dismantler and parts recycler, secondary metals recycler, and any other ~~person~~ individual who crushes a motor vehicle shall maintain records of every motor vehicle crushed or acquired for the purpose of dismantling it or recycling it into metallic scrap for remelting purposes. The records shall be maintained by these parties for a period of not less than five years and shall include the vehicle identification number, name and address of the seller, copy of the seller's state issued ~~driver's~~ driver license or identification card, the date of sale, and a copy of the certificate of title surrendered to the department. In the event that ~~a person~~ an individual crushes a vehicle or vehicles on behalf of the owner but does not acquire the



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vehicle or vehicles, that ~~person~~ individual shall maintain a record of the vehicle identification number, and the name and address of the entity for whom the vehicles were crushed, as well as a copy of the ~~person's~~ individual's state issued ~~driver's~~ driver license or identification card, or state issued tax ID number if the entity is not a natural person. For purposes of this chapter, a crushed motor vehicle as defined in Section 40-12-116 shall not be deemed a motor vehicle or vehicle ~~7;~~ provided, however, that any ~~person~~ individual who is responsible for transforming a motor vehicle into a crushed motor vehicle is responsible for complying with this section.

(2) Notwithstanding any other provision of this title to the contrary, if the owner or authorized agent of the owner of a motor vehicle has not obtained a title in his or her name for the motor vehicle to be transferred, he or she may sign a sworn statement that, in addition to the foregoing conditions, the vehicle is worth one thousand dollars (\$1,000) or less and is at least 12 model years old. The statement described in this subsection may be used only to transfer such a motor vehicle to a licensed automotive dismantler and parts recycler as defined ~~at~~ in Section 40-12-410 or secondary metals recycler as defined ~~at~~ in Section 13A-8-30 and shall be used in lieu of a certificate of title when the motor vehicle is being dismantled or recycled into metallic scrap. The department, in consultation with the above industries, shall ~~promulgate~~ adopt a form for the statement which shall include, but not be limited to, all of the following information:



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a. A statement that the motor vehicle shall never be titled again and that it must be dismantled or scrapped.

b. A description of the motor vehicle including the year, make, model, and vehicle identification number.

c. The license plate number and state of issue of any vehicle transporting the motor vehicle being sold.

d. The name, address, and ~~driver's~~ driver license number of the seller.

e. A certification by the seller that the seller is lawfully in possession of the vehicle and the seller is the current owner of the vehicle and the seller never obtained a title to the motor vehicle in his or her name.

f. A certification that the motor vehicle meets all of the following requirements:

1. Is worth one thousand dollars (\$1,000) or less.
2. Is at least 12 model years old.
3. Is not subject to any recorded security interest or lien.

g. An acknowledgment, made under penalties of perjury, that the seller realizes this information will be filed with the department and that it is a Class C felony to knowingly falsify any information on this statement.

h. The seller's signature and the date of the transaction.

i. The name and address of the business acquiring the vehicle.

j. The unique registration number provided by the Administrator of the National Motor Vehicle Title Information



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505 System known as the NMVTIS ID Number.

506 k. A certification by the business, made under
507 penalties of perjury, that one thousand dollars (\$1,000) or
508 less was paid to acquire the vehicle.

509 l. The business agent's signature and date along with a
510 printed name and title if the agent is signing on behalf of a
511 corporation.

512 m. The unique tracking number provided by a Department
513 of Revenue system that indicates that the automotive
514 dismantler and parts recycler or secondary metals recycler has
515 utilized that system to verify that the vehicle is not
516 currently reported as stolen and that there is no recorded
517 lien or notice of a lien on file or that the department has no
518 record of the vehicle. A licensed automotive dismantler and
519 parts recycler or secondary metals recycler shall file the
520 notice electronically, and the department shall provide the
521 filer with an electronic notice of receipt. This statement
522 shall be invalid without this tracking number and without the
523 purchaser's NMVTIS ID Number.

524 n. An ~~acknowledgement~~ acknowledgment by the automotive
525 dismantler and parts recycler or secondary metals recycler
526 that the motor vehicle will not be crushed or shredded for a
527 period of 48 hours not including Saturday and Sunday after the
528 initial filing with the department of the notice required in
529 this subsection and receipt of ~~such~~ the notice.

530 (3) The automotive dismantler and parts recycler or
531 secondary metals recycler shall electronically deliver the
532 statement required under this subsection to the department



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533 within 72 hours of the completion of the transaction,
534 requesting that the department cancel the certificate of title
535 and registration. A transmission of the identical information,
536 in the identical format as prescribed by the ~~Alabama~~
537 ~~Department of Revenue~~ department, shall be sent by the
538 automotive dismantler and parts recycler or secondary metals
539 recycler to the sheriff of the county, or the chief of police
540 if located in a municipality, if requested by the sheriff or
541 chief of police. The transmittal shall be completed and a
542 receipt of the notice, generated at the time of the
543 transmittal, shall be obtained from the department before
544 dismantling the vehicle or recycling it into metallic scrap
545 for remelting purposes. In addition, the automotive dismantler
546 and parts recycler or secondary metals recycler shall maintain
547 the original signed documents required by this subsection for
548 a period of not less than five years. An automotive dismantler
549 and parts recycler or secondary metals recycler who has
550 complied with the requirements of this section shall be immune
551 from, and held harmless from, any claims related to liens
552 which were not recorded or a notice of lien was not recorded,
553 or stolen vehicles not reported, at the time that the vehicle
554 was purchased and the inquiry made and documented with the
555 unique tracking number issued by the department.

556 (4) Any ~~person~~ individual who knowingly and willfully
557 violates this subsection, or any ~~person~~ individual who
558 falsifies the statement required under this subsection, or any
559 ~~person~~ individual who knowingly and willfully sells a vehicle
560 upon which there is an unsatisfied lien, shall be guilty of a



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561 Class C felony. In addition to any punishment rendered, each
562 ~~person~~ individual convicted shall be subject to the laws
563 regarding restitution.

564 (5) Any motor vehicle used to transport another motor
565 vehicle or crushed motor vehicle illegally sold under this
566 section may be seized by law enforcement and is subject to
567 forfeiture ordered by the court; provided, however, that no
568 motor vehicle used by any ~~person~~ individual in the transaction
569 of a sale of such motor vehicle shall be subject to forfeiture
570 unless the owner or other ~~person~~ individual in charge of the
571 motor vehicle is a consenting or knowing party to the
572 commission of a crime, and a forfeiture of the motor vehicle
573 is subject to the rights of any lienholder who holds a
574 perfected security interest in the motor vehicle so long as
575 the lienholder had no knowledge of or consented to the act.
576 Whenever property is forfeited under this subsection by order
577 of the court, it shall be sold and the proceeds distributed,
578 pro rata after payment of all property expenses relating to
579 the forfeiture and sale, including any court ordered
580 restitution to the owner of the vehicle, satisfaction of any
581 liens associated with the vehicle sold in violation of this
582 section, and any losses incurred by the automotive dismantler
583 and parts recycler or secondary metals recycler to the general
584 fund of the state or any county or municipality whose
585 department, office, or agency contributed to the investigation
586 of the acts resulting in forfeiture, based upon the
587 contribution, including expenses, of the department, office,
588 or agency, as determined by the court.



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589 (t) ~~The Department of Revenue~~ department shall provide
590 a system for a real-time online verification of motor vehicle
591 titles, liens, and stolen vehicle status that can be accessed
592 by an automotive dismantler and parts recycler or a secondary
593 metals recycler. The system shall be capable of transmitting
594 the information from the statement required pursuant to
595 subsection (s) either online or by bulk electronic
596 transmission and shall provide a unique tracking number on a
597 receipt at the time of the submission that indicates that the
598 automotive dismantler and parts recycler or a secondary metals
599 recycler has used the system and that at the time of the
600 inquiry, the vehicle was not reported as stolen and that there
601 were no recorded liens or notices of liens on file associated
602 with the vehicle, or that the department has no record of the
603 vehicle. The charge assessed for the transmittal of the
604 statement required by subsection (s) to the automotive
605 dismantler and parts recycler or secondary metals recycler
606 shall be five dollars (\$5) per submittal. In lieu of a per
607 submittal charge, an automotive dismantler and parts recycler
608 or a secondary metals recycler may pay an annual fee of five
609 hundred dollars (\$500) for all submittals and inquiries made
610 during that fiscal year. The fee shall be paid on a fiscal
611 year basis, beginning October 1 of each fiscal year. Every
612 automotive dismantler and parts recycler, secondary metals
613 recycler, or person individual or company licensed pursuant to
614 Section 40-12-116, shall pay the annual fee for each location
615 or license. Any fees collected under this section shall be
616 retained by the department for use solely by the Motor Vehicle



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617 Division of the department for training and technological and
618 processing improvements."

619 Section 2. This act shall become effective on October
620 1, 2025.



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621
622
623 Senate

624 Read for the first time and referred05-Feb-25
625 to the Senate committee on Banking
626 and Insurance

627
628 Read for the second time and placed20-Feb-25
629 on the calendar:
630 1 amendment

631
632 Read for the third time and passed04-Mar-25
633 as amended
634 Yeas 31
635 Nays 0
636 Abstains 0

637
638
639 Patrick Harris,
640 Secretary.
641