

AMENDED IN ASSEMBLY AUGUST 1, 2002

AMENDED IN ASSEMBLY JULY 15, 2002

AMENDED IN ASSEMBLY JUNE 26, 2002

AMENDED IN SENATE APRIL 17, 2002

AMENDED IN SENATE APRIL 4, 2002

AMENDED IN SENATE MARCH 7, 2002

SENATE BILL

No. 1331

Introduced by Senator Speier

January 30, 2002

An act to amend Sections 431, 671, 5505, 9255.2, and 40000.7 of, and to add Sections 521.5, 543.5, 593, 670.5, and 5506 to, the Vehicle Code, relating to salvage vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 1331, as amended, Speier. Salvage vehicles.

Existing law requires an inspection by the Department of Motor Vehicles of any total loss salvage vehicle, or certain dismantled vehicles, when application is made to register the vehicle. Existing law also provides that the department may request an inspection of the vehicle by the Department of the California Highway Patrol, as specified. These provisions of law will be repealed as of January 1, 2003.

Existing law defines a "total loss salvage vehicle."

This bill would provide that an inspection by the Department of Motor Vehicles would not preclude referral to the Department of the California Highway Patrol for an additional inspection of the vehicle,

as specified. This bill would also provide that if the vehicle was originally manufactured with a “supplemental restraint system” as defined, that the reconstructed vehicle would be required to be equipped with a supplemental restraint system in good working order, as specified. This bill would also delete those provisions repealing the above-described provisions of law. This bill would also make a technical, conforming change to these provisions.

This bill would define the terms “revived salvage vehicle,” “salvage vehicle rebuilder,” and “supplemental restraint system.”

Existing law defines various terms for purposes of the Vehicle Code.

This bill would define the term “vehicle frame” and would make other conforming technical changes.

Existing law defines “vehicle registration number” for purposes of vehicle registration.

This bill would specify determination of the vehicle identification number when the vehicle is constructed of component parts identified with more than one vehicle identification number.

Existing law authorizes the imposition of a \$50 fee to cover the costs of implementing an inspection program pertaining to inspecting salvage vehicles for purposes of registration. Existing law also provides that these provisions will be repealed on January 1, 2003.

This bill would extend those provisions of law indefinitely by deleting the provisions requiring repeal on January 1, 2003.

This bill would require a salvage vehicle rebuilder to provide the buyer of a salvaged vehicle, as specified, with a certificate of inspection or certain other documentation, upon sale or transfer of the vehicle, as specified. Violation of these provisions would be a misdemeanor.

This bill would incorporate by reference additional changes to the Vehicle Code proposed by SB 1743 that would become operative only if that bill adds Section 11568 to the Vehicle Code, and both bills are enacted and become effective.

By creating a new crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.



Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 431 of the Vehicle Code is amended to
2 read:

3 431. A “nonrepairable vehicle” is a vehicle of a type
4 otherwise subject to registration that meets the criteria specified in
5 subdivision (a), (b), or (c). The vehicle shall be issued a
6 nonrepairable vehicle certificate and the vehicle, the vehicle
7 frame, or unitized frame and body, as applicable, and as defined
8 in Section 670.5, shall not be titled or registered.

9 (a) A nonrepairable vehicle is a vehicle that has no resale value
10 except as a source of parts or scrap metal, and which the owner
11 irreversibly designates solely as a source of parts or scrap metal.

12 (b) A nonrepairable vehicle is a completely stripped vehicle (a
13 surgical strip) recovered from theft, missing all of the bolt on sheet
14 metal body panels, all of the doors and hatches, substantially all of
15 the interior components, and substantially all of the grill and light
16 assemblies, or that the owner designates has little or no resale value
17 other than its worth as a source of scrap metal, or as a source of a
18 vehicle identification number that could be used illegally.

19 (c) A nonrepairable vehicle is a completely burned vehicle
20 (burned hulk) that has been burned to the extent that there are no
21 more usable or repairable body or interior components, tires and
22 wheels, or drive train components, and which the owner
23 irreversibly designates as having little or no resale value other than
24 its worth as scrap metal or as a source of a vehicle identification
25 number that could be used illegally.

26 SEC. 2. Section 521.5 is added to the Vehicle Code, to read:

27 521.5. “Revived salvage vehicle” means a total loss salvage
28 vehicle as defined in Section 544, or a vehicle reported for
29 dismantling pursuant to Section 5500 ~~or~~ 11520, that has been
30 rebuilt or restored to legal operating condition with new or used
31 component parts.

32 SEC. 3. Section 543.5 is added to the Vehicle Code, to read:

33 543.5. “Salvage vehicle rebuilder” means any person who
34 rebuilds a total loss salvage vehicle, as defined in Section 544, or
35 a vehicle reported for dismantling pursuant to Section 11520, for



1 subsequent resale. A person who, for personal use, rebuilds a total
2 loss salvage vehicle, or a vehicle reported for dismantling, and
3 registers that vehicle in his or her name, is not a salvage vehicle
4 rebuilder. *Nothing in this section exempts a salvage vehicle*
5 *rebuilder from any applicable licensing requirements under this*
6 *code.*

7 SEC. 4. Section 593 is added to the Vehicle Code, to read:

8 593. “Supplemental restraint system” means an automatic
9 passive restraint system consisting of a bag that is designed to
10 inflate upon collision, commonly referred to as an “airbag.”

11 SEC. 5. Section 670.5 is added to the Vehicle Code, to read:

12 670.5. A “vehicle frame” is defined as the main longitudinal
13 structural members of the chassis of the vehicle, or for vehicles
14 with unitized body construction, the lowest main longitudinal
15 structural members of the body of the vehicle, used as the major
16 support in the construction of the motor vehicle.

17 SEC. 6. Section 671 of the Vehicle Code is amended to read:

18 671. (a) A “vehicle identification number” is the motor
19 number, serial number, or other distinguishing number, letter,
20 mark, character, or datum, or any combination thereof, required or
21 employed by the manufacturer or the department for the purpose
22 of uniquely identifying a motor vehicle or motor vehicle part or for
23 the purpose of registration.

24 (b) Whenever a vehicle is constructed of component parts
25 identified with one or more different vehicle identification
26 numbers, the vehicle identification number stamped or affixed by
27 the manufacturer or authorized governmental entity on the frame
28 or unitized frame and body, as applicable, and as defined in Section
29 670.5, shall determine the identity of the vehicle for registration
30 purposes.

31 SEC. 7. Section 5505 of the Vehicle Code is amended to read:

32 5505. (a) This section applies to any vehicle reported to be a
33 total loss salvage vehicle pursuant to Section 11515 and to any
34 vehicle reported for dismantling pursuant to Section 5500 or
35 11520.

36 (b) Whenever an application is made to the Department of
37 Motor Vehicles to register a vehicle described in subdivision (a),
38 that department shall inspect the vehicle to determine its proper
39 identity or request that the inspection be performed by the
40 Department of the California Highway Patrol. An inspection by



1 the Department of Motor Vehicles shall not preclude that
2 department from referring the vehicle to the Department of the
3 California Highway Patrol for an additional inspection if deemed
4 necessary.

5 (c) The Department of the California Highway Patrol shall
6 inspect, on a random basis, those vehicles described in subdivision
7 (a) that have been presented to the Department of Motor Vehicles
8 for registration after completion of the reconstruction process to
9 determine the proper identity of those vehicles. The vehicle being
10 presented for inspection shall be a complete vehicle, in legal
11 operating condition. If the vehicle was originally manufactured
12 with a “supplemental restraint system” as defined in Section 593,
13 the reconstructed vehicle shall also be equipped with a
14 supplemental restraint system in good working order that meets
15 applicable federal motor vehicle safety standards and conforms to
16 the manufacturer’s specifications for that vehicle. The inspection
17 conducted pursuant to this subdivision shall be a comprehensive,
18 vehicle identification number inspection.

19 (d) A salvage vehicle rebuilder, as defined in Section 543.5, or
20 other individual in possession of a vehicle described in subdivision
21 (a), who is submitting the vehicle for registration as described in
22 subdivision (b), shall have available, and shall present upon
23 demand of the Department of the California Highway Patrol, bills
24 of sale, invoices, or other acceptable proof of ownership of
25 component parts, and invoices for minor component parts.
26 Additionally, bills of sale and invoices shall include the year,
27 make, model, and the vehicle identification number of the vehicle
28 from which the parts were removed or sold, the name and signature
29 of the person from whom the parts were acquired, and his or her
30 address, and telephone number. To assist in the identification of the
31 seller of new or used parts, the number of the seller’s driver’s
32 license, identification card, social security card, or Federal
33 Employer Identification Number shall be provided by the seller to
34 the buyer on the bills of sale and invoice. The seller of a salvage
35 vehicle, or the agent of the seller, shall inform the purchaser of the
36 vehicle that ownership documentation for certain replacement
37 parts used in the repair of the vehicle will be required in the
38 inspection required under this section.

39 (e) As used in this section, the term “component parts for
40 passenger motor vehicles” includes supplemental restraint



1 systems, the cowl or firewall, front-end assembly, rear clip,
2 including the roof panel, the roof panel when installed separately,
3 and the frame or any portion thereof, or in the case of a unitized
4 body, the supporting structure that serves as the frame, each door,
5 the hood, each fender or quarter panel, deck lid or hatchback, each
6 bumper, both T-tops, replacement transmissions or transaxles, and
7 a replacement motor.

8 (1) As used in this subdivision, “front-end assembly” includes
9 all of the following: hood, fenders, bumper, and radiator
10 supporting members for these items. For vehicles with a unitized
11 body, the front-end assembly also includes the frame support
12 members.

13 (2) As used in this subdivision, “rear clip” includes the roof,
14 quarter panels, trunk lid, floor pan, and the support members for
15 each item.

16 (f) As used in this section, “major component parts for trucks,
17 truck-type or bus-type vehicles” includes the cab, the frame or any
18 portion thereof, and, in the case of a unitized body, the supporting
19 structure which serves as a frame, the cargo compartment floor
20 panel or passenger compartment floor pan, roof panel, and
21 replacement transmissions or transaxles, and replacement motors,
22 each door, hood, each fender or quarter panel, each bumper, and
23 the tailgate. All component parts identified in subdivision (e),
24 common to a truck, truck-type or bus-type vehicle, not listed in this
25 section, shall be considered as included in this section if the part
26 is replaced.

27 (1) “Major component parts for motorcycles” includes the
28 engine or motor, transmission or transaxle, frame, front fork, and
29 crankcase.

30 (2) “Minor component parts for motorcycles” includes the
31 fairing and any other body molding.

32 (g) If the vehicle identification number, year, make, or model
33 required under subdivision (d) cannot be determined, the
34 Department of the California Highway Patrol may accept, in lieu
35 of that information, a certification on a form provided by that
36 department, signed by the person submitting the vehicle for
37 inspection, that the part was not obtained by means of theft or
38 fraud.

39 SEC. 7.5. Section 5505 of the Vehicle Code is amended to
40 read:



1 5505. (a) This section applies to any vehicle reported to be a
2 total loss salvage vehicle pursuant to Section 11568 and to any
3 vehicle reported for dismantling pursuant to Section 5500 or
4 11520.

5 (b) Whenever an application is made to the Department of
6 Motor Vehicles to register a vehicle described in subdivision (a),
7 that department shall inspect the vehicle to determine its proper
8 identity or request that the inspection be performed by the
9 Department of the California Highway Patrol. An inspection by
10 the Department of Motor Vehicles shall not preclude that
11 department from referring the vehicle to the Department of the
12 California Highway Patrol for an additional inspection if deemed
13 necessary.

14 (c) The Department of the California Highway Patrol shall
15 inspect, on a random basis, those vehicles described in subdivision
16 (a) that have been presented to the Department of Motor Vehicles
17 for registration after completion of the reconstruction process to
18 determine the proper identity of those vehicles. The vehicle being
19 presented for inspection shall be a complete vehicle, in legal
20 operating condition. If the vehicle was originally manufactured
21 with a “supplemental restraint system” as defined in Section 593,
22 the reconstructed vehicle shall also be equipped with a
23 supplemental restraint system in good working order that meets
24 applicable federal motor vehicle safety standards and conforms to
25 the manufacturer’s specifications for that vehicle. The inspection
26 conducted pursuant to this subdivision shall be a comprehensive,
27 vehicle identification number inspection.

28 (d) A salvage vehicle rebuilder as defined in Section 543.5, or
29 other individual in possession of a vehicle described in subdivision
30 (a), who is submitting the vehicle for registration as described in
31 subdivision (b), shall have available, and shall present upon
32 demand of the Department of the California Highway Patrol, bills
33 of sale, invoices, or other acceptable proof of ownership of
34 component parts, and invoices for minor component parts.
35 Additionally, bills of sale and invoices shall include the year,
36 make, model, and the vehicle identification number of the vehicle
37 from which the parts were removed or sold, the name and signature
38 of the person from whom the parts were acquired, and his or her
39 address, and telephone number. To assist in the identification of the
40 seller of new or used parts, the number of the seller’s driver’s



1 license, identification card, social security card, or Federal
2 Employer Identification Number shall be provided by the seller to
3 the buyer on the bills of sale and invoice. The seller of a salvage
4 vehicle, or the agent of the seller, shall inform the purchaser of the
5 vehicle that ownership documentation for certain replacement
6 parts used in the repair of the vehicle will be required in the
7 inspection required under this section.

8 (e) As used in this section, the term “component parts for
9 passenger motor vehicles” includes supplemental restraint
10 systems, the cowl or firewall, front-end assembly, rear clip,
11 including the roof panel, the roof panel when installed separately,
12 and the frame or any portion thereof, or in the case of a unitized
13 body, the supporting structure that serves as the frame, each door,
14 the hood, each fender or quarter panel, deck lid or hatchback, each
15 bumper, both T-tops, replacement transmissions or transaxles, and
16 a replacement motor.

17 (1) As used in this subdivision, “front-end assembly” includes
18 all of the following: hood, fenders, bumper, and radiator
19 supporting members for these items. For vehicles with a unitized
20 body, the front-end assembly also includes the frame support
21 members.

22 (2) As used in this subdivision, “rear clip” includes the roof,
23 quarter panels, trunk lid, floor pan, and the support members for
24 each item.

25 (f) As used in this section, “major component parts for trucks,
26 truck-type or bus-type vehicles” includes the cab, the frame or any
27 portion thereof, and, in the case of a unitized body, the supporting
28 structure which serves as a frame, the cargo compartment floor
29 panel or passenger compartment floor pan, roof panel, and
30 replacement transmissions or transaxles, and replacement motors,
31 each door, hood, each fender or quarter panel, each bumper, and
32 the tailgate. All component parts identified in subdivision (e),
33 common to a truck, truck-type or bus-type vehicle, not listed in this
34 section, shall be considered as included in this section if the part
35 is replaced.

36 (1) “Major component parts for motorcycles” includes the
37 engine or motor, transmission or transaxle, frame, front fork, and
38 crankcase.

39 (2) “Minor component parts for motorcycles” includes the
40 fairing and any other body molding.



1 (g) If the vehicle identification number, year, make, or model
2 required under subdivision (d) cannot be determined, the
3 Department of the California Highway Patrol may accept, in lieu
4 of that information, a certification on a form provided by that
5 department, signed by the person submitting the vehicle for
6 inspection, that the part was not obtained by means of theft or
7 fraud.

8 SEC. 8. Section 5506 is added to the Vehicle Code, to read:

9 5506. No salvage vehicle rebuilder may resell or transfer
10 ownership of any vehicle that is subject to inspection as provided
11 in Section 5505, unless either a certificate of inspection issued by
12 the Department of the California Highway Patrol, or vehicle
13 verification form completed by an authorized employee of the
14 Department of Motor Vehicles is provided to the buyer upon sale
15 or transfer. Responsibility for compliance with this section shall
16 rest with the salvage vehicle rebuilder selling or transferring the
17 vehicle.

18 SEC. 9. Section 9255.2 of the Vehicle Code is amended to
19 read:

20 9255.2. (a) In addition to any other fees specified in this code
21 and the Revenue and Taxation Code, a fee of not more than fifty
22 dollars (\$50), as determined by the Department of the California
23 Highway Patrol to cover the costs of implementing and conducting
24 the inspection program required under Section 5505, shall be paid
25 to the Department of Motor Vehicles at the time inspection is made
26 for initial registration or transfer of ownership of a vehicle
27 included in paragraphs (1) and (2) of subdivision (b) of Section
28 4453.

29 (b) The fees collected pursuant to subdivision (a) shall be
30 deposited in the Motor Vehicle Account in the State Transportation
31 Fund. The money deposited in the account shall be available, upon
32 appropriation by the Legislature, for distribution as follows:

33 (1) Not more than three dollars (\$3) of each fee collected under
34 subdivision (a) to the Department of Motor Vehicles.

35 (2) The remainder to the Department of the California
36 Highway Patrol.

37 SEC. 10. Section 40000.7 of the Vehicle Code is amended to
38 read:

39 40000.7. (a) A violation of any of the following provisions is
40 a misdemeanor, and not an infraction:



- 1 (1) Section 2416, relating to regulations for emergency
2 vehicles.
- 3 (2) Section 2800, relating to failure to obey an officer’s lawful
4 order or submit to a lawful inspection.
- 5 (3) Section 2800.1, relating to fleeing from a peace officer.
- 6 (4) Section 2801, relating to failure to obey a firefighter’s
7 lawful order.
- 8 (5) Section 2803, relating to unlawful vehicle or load.
- 9 (6) Section 2813, relating to stopping for inspection.
- 10 (7) Subdivisions (b), (c), and (d) of Section 4461 and
11 subdivisions (b) and (c) of Section 4463, relating to disabled
12 person placards and disabled person and disabled veteran license
13 plates.
- 14 (8) Section 4462.5, relating to deceptive or false evidence of
15 vehicle registration.
- 16 (9) Section 4463.5, relating to deceptive or facsimile license
17 plates.
- 18 (10) Section 5105.5, relating to environmental license plates.
- 19 (11) Section 5500, relating to the surrender of registration
20 documents and license plates before dismantling may begin.
- 21 (12) Section 5506, relating to the sale of a total loss salvage
22 vehicle, or of a vehicle reported for dismantling by a salvage
23 vehicle rebuilder.
- 24 (13) Section 5753, relating to delivery of certificates of
25 ownership and registration when committed by a dealer or any
26 person while a dealer within the preceding 12 months.
- 27 (14) Section 5901, relating to dealers and lessor-retailers
28 giving notice.
- 29 (15) Section 5901.1, relating to lessors giving notice and
30 failure to pay fee.
- 31 (16) Section 8802, relating to the return of canceled,
32 suspended, or revoked certificates of ownership, registration
33 cards, or license plates, when committed by any person with intent
34 to defraud.
- 35 (17) Section 8803, relating to return of canceled, suspended, or
36 revoked documents and license plates of a dealer, manufacturer,
37 remanufacturer, transporter, dismantler, or salesman.
- 38 (b) This section shall become operative on January 1, 2001.
- 39 SEC. 11. Section 7.5 of this bill incorporates amendments to
40 Section 5505 of the Vehicle Code. It shall only become operative



1 if this bill and SB 1743 are enacted and become effective on or
2 before January 1, 2003, and SB 1743 adds Section 11568 to the
3 Vehicle Code in which case Section 7 of this bill shall not become
4 operative.

5 SEC. 12. No reimbursement is required by this act pursuant
6 to Section 6 of Article XIII B of the California Constitution
7 because the only costs that may be incurred by a local agency or
8 school district will be incurred because this act creates a new crime
9 or infraction, eliminates a crime or infraction, or changes the
10 penalty for a crime or infraction, within the meaning of Section
11 17556 of the Government Code, or changes the definition of a
12 crime within the meaning of Section 6 of Article XIII B of the
13 California Constitution.

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