

Senate Bill No. 1331

CHAPTER 670

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.

[Approved by Governor September 17, 2002. Filed with Secretary of State September 18, 2002.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1331, 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 These provisions of law will be repealed as of January 1, 2003.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, 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 Existing law also provides that these provisions will be repealed on January 1, 2003.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 who has not applied for and received a title, as specified, 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. By creating a new crime, this bill would impose a state-mandated local program.

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.

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.

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

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

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

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

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

(c) A nonrepairable vehicle is a completely burned vehicle (burned hulk) that has been burned to the extent that there are no more usable or repairable body or interior components, tires and wheels, or drive train



components, and which the owner irreversibly designates as having little or no resale value other than its worth as scrap metal or as a source of a vehicle identification number that could be used illegally.

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

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

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

543.5. “Salvage vehicle rebuilder” means any person who rebuilds a total loss salvage vehicle, as defined in Section 544, or a vehicle reported for dismantling pursuant to Section 11520, for subsequent resale. A person who, for personal use, rebuilds a total loss salvage vehicle, or a vehicle reported for dismantling, and registers that vehicle in his or her name, is not a salvage vehicle rebuilder. Nothing in this section exempts a salvage vehicle rebuilder from any applicable licensing requirements under this code.

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

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

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

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

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

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

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

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

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



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

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

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

(e) As used in this section, the term “component parts for passenger motor vehicles” includes supplemental restraint systems, the cowl or firewall, front-end assembly, rear clip, including the roof panel, the roof panel when installed separately, and the frame or any portion thereof, or



in the case of a unitized body, the supporting structure that serves as the frame, each door, the hood, each fender or quarter panel, deck lid or hatchback, each bumper, both T-tops, replacement transmissions or transaxles, and a replacement motor.

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

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

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

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

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

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

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

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

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



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

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

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

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



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

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

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

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

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

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

5506. No salvage vehicle rebuilder may resell or transfer ownership of any vehicle that is subject to inspection as provided in Section 5505, unless either a certificate of inspection issued by the Department of the California Highway Patrol, or vehicle verification form completed by an authorized employee of the Department of Motor Vehicles is provided to the buyer upon sale or transfer. Responsibility for compliance with this section shall rest with the salvage vehicle rebuilder selling or transferring the vehicle. This section shall not apply to a salvage vehicle rebuilder who has applied for and received a title in accordance with Section 5505.

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

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



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

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

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

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

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

(1) Section 2416, relating to regulations for emergency vehicles.

(2) Section 2800, relating to failure to obey an officer's lawful order or submit to a lawful inspection.

(3) Section 2800.1, relating to fleeing from a peace officer.

(4) Section 2801, relating to failure to obey a firefighter's lawful order.

(5) Section 2803, relating to unlawful vehicle or load.

(6) Section 2813, relating to stopping for inspection.

(7) Subdivisions (b), (c), and (d) of Section 4461 and subdivisions (b) and (c) of Section 4463, relating to disabled person placards and disabled person and disabled veteran license plates.

(8) Section 4462.5, relating to deceptive or false evidence of vehicle registration.

(9) Section 4463.5, relating to deceptive or facsimile license plates.

(10) Section 5105.5, relating to environmental license plates.

(11) Section 5500, relating to the surrender of registration documents and license plates before dismantling may begin.

(12) Section 5506, relating to the sale of a total loss salvage vehicle, or of a vehicle reported for dismantling by a salvage vehicle rebuilder.

(13) Section 5753, relating to delivery of certificates of ownership and registration when committed by a dealer or any person while a dealer within the preceding 12 months.

(14) Section 5901, relating to dealers and lessor-retailers giving notice.

(15) Section 5901.1, relating to lessors giving notice and failure to pay fee.

(16) Section 8802, relating to the return of canceled, suspended, or revoked certificates of ownership, registration cards, or license plates, when committed by any person with intent to defraud.

(17) Section 8803, relating to return of canceled, suspended, or revoked documents and license plates of a dealer, manufacturer, remanufacturer, transporter, dismantler, or salesman.



(b) This section shall become operative on January 1, 2001.

SEC. 11. Section 7.5 of this bill incorporates amendments to Section 5505 of the Vehicle Code. It shall only become operative if this bill and SB 1743 are enacted and become effective on or before January 1, 2003, and SB 1743 adds Section 11568 to the Vehicle Code in which case Section 7 of this bill shall not become operative.

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

