

AMENDED IN ASSEMBLY JULY 25, 2002

AMENDED IN ASSEMBLY JUNE 17, 2002

SENATE BILL

No. 2076

Introduced by Senator Bowen

February 22, 2002

An act to amend Section 11515 of, *and to add Section 11568 to*, the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 2076, as amended, Bowen. Vehicles.

Existing law requires the Department of Motor Vehicles to accept an endorsed salvage certificate for a total loss salvage vehicle, as defined, prior to its sale or disposal in lieu of the certificate of ownership or other evidence of ownership when accompanied by an application and other documents and fees. The salvage certificate, except as specified, must include a statement that the seller and any subsequent sellers are required to disclose to the purchaser at, or prior to, the time of sale that the vehicle has been declared a total loss salvage vehicle. A seller who fails to make the disclosure is subject to a specified civil penalty. Existing law provides that the disclosure requirement is satisfied if the seller obtains a properly endorsed salvage certificate and delivers it to the purchaser within 10 days or prominently posts a sign at his or her place of business stating that the seller sells total loss salvage vehicles. Existing law also provides that this disclosure requirement does not apply to a financial institution, leasing company, occupational licensee of the Department of Motor Vehicles, an insurer, or a self-insurer.

This bill would eliminate the provisions for satisfying the disclosure requirement by posting a sign stating that the seller sells total loss

salvage vehicles. This bill would also remove the exceptions for certain types of institutions.

This bill would also provide for the addition to the Vehicle Code of a section with provisions comparable to those discussed above to become operative only if this bill and SB 1743 are both enacted and this bill is enacted last.

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

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

1 SECTION 1. Section 11515 of the Vehicle Code is amended
2 to read:

3 11515. (a) Whenever an insurance company makes a total
4 loss settlement on a total loss salvage vehicle, the insurance
5 company, an occupational licensee of the department authorized
6 by the insurance company, or a salvage pool authorized by the
7 insurance company, shall, within 10 days from the settlement of
8 the loss, forward the properly endorsed certificate of ownership or
9 other evidence of ownership acceptable to the department, the
10 license plates, and a three-dollar (\$3) fee, to the department. An
11 occupational licensee of the department may submit a certificate
12 of license plate destruction in lieu of the actual license plate. The
13 department, upon receipt of the certificate of ownership or other
14 evidence of title, the license plates, and the three-dollar (\$3) fee,
15 shall issue a salvage certificate for the vehicle.

16 (b) Whenever the owner of a total loss salvage vehicle retains
17 possession of the vehicle, the insurance company shall notify the
18 department of the retention on a form prescribed by the
19 department. The insurance company shall also notify the insured
20 or owner of the insured's or owner's responsibility to comply with
21 this subdivision. The owner shall, within 10 days from the
22 settlement of the loss, forward the properly endorsed certificate of
23 ownership or other evidence of ownership acceptable to the
24 department, the license plates, and a three-dollar (\$3) fee to the
25 department. The department, upon receipt of the certificate of
26 ownership or other evidence of title, the license plates, and the
27 three-dollar (\$3) fee, shall issue a salvage certificate for the
28 vehicle.



1 (c) Whenever a total loss salvage vehicle is not the subject of
2 an insurance settlement, the owner shall, within 10 days from the
3 loss, forward the properly endorsed certificate of ownership or
4 other evidence of ownership acceptable to the department, the
5 license plates, and a three-dollar (\$3) fee to the department.

6 (d) Whenever a total loss salvage vehicle is not the subject of
7 an insurance settlement, a self-insurer, as defined in Section
8 16052, shall, within 10 days from the loss, forward the properly
9 endorsed certificate of ownership or other evidence of ownership
10 acceptable to the department, the license plates, and a three-dollar
11 (\$3) fee to the department.

12 (e) Prior to sale or disposal of a total loss salvage vehicle, the
13 owner, owner's agent, or salvage pool, shall obtain a properly
14 endorsed salvage certificate and deliver it to the purchaser within
15 10 days after payment in full for the salvage vehicle and shall also
16 comply with Section 5900. The department shall accept the
17 endorsed salvage certificate in lieu of the certificate of ownership
18 or other evidence of ownership when accompanied by an
19 application and other documents and fees, including, but not
20 limited to, the fees required by Section 9265, as may be required
21 by the department.

22 (f) This section does not apply to a vehicle which has been
23 driven or taken without the consent of the owner thereof, until the
24 vehicle has been recovered by the owner and only if the vehicle is
25 a total loss salvage vehicle.

26 (g) A violation of subdivision (a), (b), (d), or (e) is a
27 misdemeanor, pursuant to Section 40000.11. Notwithstanding
28 Section 40000.11, a violation of subdivision (c) is an infraction,
29 except that, if committed with intent to defraud, a violation of
30 subdivision (c) is a misdemeanor.

31 (h) (1) A salvage certificate issued under this section shall
32 include a statement that the seller and any subsequent sellers that
33 transfer ownership of a total loss vehicle pursuant to a properly
34 endorsed salvage certificate are required to disclose to the
35 purchaser at, or prior to, the time of sale that the vehicle has been
36 declared a total loss salvage vehicle.

37 (2) Effective on and after the department includes in the
38 salvage certificate form the statement described in paragraph (1),
39 a seller who fails to make the disclosure described in paragraph (1)



1 shall be subject to a civil penalty of not more than five hundred
2 dollars (\$500).

3 (3) Nothing in this subdivision affects any other civil remedy
4 provided by law, including, but not limited to, punitive damages.

5 *SEC. 2. Section 11568 is added to the Vehicle Code, to read:*

6 *11568. (a) Whenever an insurer makes a total loss settlement*
7 *on a total loss salvage vehicle, the insurer or a dealer, automobile*
8 *dismantler, or salvage pool authorized by the insurer, shall, within*
9 *10 days from the settlement of the loss, forward the properly*
10 *endorsed certificate of ownership or other evidence of ownership*
11 *acceptable to the department, the license plates, and a three-dollar*
12 *(\$3) fee, to the department. A dealer, automobile dismantler, or*
13 *salvage pool licensed by the department may submit a certificate*
14 *of license plate destruction in lieu of the actual license plate. The*
15 *department, upon receipt of the certificate of ownership or other*
16 *evidence of title, the license plates, and the three-dollar (\$3) fee,*
17 *shall issue a salvage certificate for the vehicle.*

18 *(b) Whenever the owner of a total loss salvage vehicle enters*
19 *into a settlement with the insurer responsible for paying for the*
20 *damage and the owner retains possession of the vehicle, the insurer*
21 *shall notify the department of the retention on a form prescribed*
22 *by the department. The insurer shall also notify the insured or*
23 *owner of the insured's or owner's responsibility to comply with this*
24 *subdivision. The owner shall, within 10 days from the settlement*
25 *of the loss, forward the properly endorsed certificate of ownership*
26 *or other evidence of ownership acceptable to the department, the*
27 *license plates, and a three-dollar (\$3) fee to the department. The*
28 *department, upon receipt of the certificate of ownership or other*
29 *evidence of title, the license plates, and the three-dollar (\$3) fee,*
30 *shall issue a salvage certificate for the vehicle.*

31 *(c) Whenever a total loss salvage vehicle is not the subject of*
32 *an insurance settlement, the owner shall, within 10 days from the*
33 *loss, forward the properly endorsed certificate of ownership or*
34 *other evidence of ownership acceptable to the department, the*
35 *license plates, and a three-dollar (\$3) fee to the department.*

36 *(d) Whenever a total loss salvage vehicle is not the subject of*
37 *an insurance settlement, a self-insurer, as defined in Section*
38 *16052, shall, within 10 days from the loss, forward the properly*
39 *endorsed certificate of ownership or other evidence of ownership*



1 acceptable to the department, the license plates, and a three-dollar
2 (\$3) fee to the department.

3 (e) Prior to sale or disposal of a total loss salvage vehicle, the
4 owner, owner's agent, or salvage pool, shall obtain a properly
5 endorsed salvage certificate and deliver it to the purchaser within
6 10 days after payment in full for the salvage vehicle and shall also
7 comply with Section 5900. The department shall accept the
8 endorsed salvage certificate in lieu of the certificate of ownership
9 or other evidence of ownership when accompanied by an
10 application and other documents and fees, including, but not
11 limited to, the fees required by Section 9265, as may be required
12 by the department.

13 (f) This section does not apply to a vehicle which has been
14 driven or taken without the consent of the owner thereof, until the
15 vehicle has been recovered by the owner and only if the vehicle is
16 a total loss salvage vehicle.

17 (g) A violation of subdivision (a), (b), (d), or (e) is a
18 misdemeanor, pursuant to Section 40000.11. Notwithstanding
19 Section 40000.11, a violation of subdivision (c) is an infraction,
20 except that, if committed with intent to defraud, a violation of
21 subdivision (c) is a misdemeanor.

22 (h) (1) A salvage certificate issued under this section shall
23 include a statement that the seller and any subsequent sellers that
24 transfer ownership of a total loss vehicle pursuant to a properly
25 endorsed salvage certificate are required to disclose to the
26 purchaser at, or prior to, the time of sale that the vehicle has been
27 declared a total loss salvage vehicle.

28 (2) Effective on and after the department includes in the
29 salvage certificate form the statement described in paragraph (1),
30 a seller who fails to make the disclosure described in paragraph
31 (1) shall be subject to a civil penalty of not more than five hundred
32 dollars (\$500).

33 (3) Nothing in this subdivision affects any other civil remedy
34 provided by law, including, but not limited to, punitive damages.

35 SEC. 3. Section 2 of this bill adds Section 11568 to the Vehicle
36 Code. It shall only become operative if (1) this bill and SB 1743
37 are enacted and become effective on or before January 1, 2003, (2)
38 each bill adds Section 11568 to the Vehicle Code, and (3) this bill



1 *is enacted after SB 1743, in which case Section 1 of this bill shall*
2 *not become operative.*

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