

the transaction falls outside of the permissible time period, exceeds the permissible MSRP, identifies a purchaser that has participated in a previous transaction, or identifies the vehicle identification number of a new or trade-in vehicle that was involved in a previous transaction.

(e) *Correction and resubmission.* A dealer may correct and resubmit a rejected application for reimbursement, without penalty.

§ 599.304 Payment to dealer.

Upon completion of review of an application for reimbursement from a registered dealer that satisfies all the requirements of this part, the agency shall reimburse the dealer, by electronic transfer to the account identified under the process in § 599.200(c) of this part.

Subpart D—Disposal of Trade-in Vehicle

§ 599.400 Transfer or consignment by dealer of trade-in vehicle.

(a) *In general.*

(1) A trade-in vehicle accepted as part of an eligible transaction may be provided for disposal by a dealer either to a disposal facility or to a salvage auction, as described in and subject to the conditions of § 599.201 of this part.

(2) Dealers, disposal facilities, and salvage auctions involved in the disposal of the trade-in vehicle must each comply with the applicable provisions of this subpart.

(b) *Transfer by dealer or salvage auction to a disposal facility.* If the trade-in vehicle is transferred by the dealer or salvage auction to a disposal facility, the disposal facility must, as a condition of the transfer:

(1) Make the certifications contained in the Disposal Facility Certification Form in Appendix E to this part, signed by an official with authority to bind the disposal facility;

(2) At the time of the transfer, deliver the signed Disposal Facility Certification Form to the dealer or salvage auction that transferred the trade-in vehicle; and

(3) Comply with the requirements and limitations of § 599.401.

(c) *Consignment by dealer to a salvage auction.* If the trade-in vehicle is consigned by the dealer to a salvage auction, the salvage auction must, as a condition of the consignment:

(1) Make the certifications contained in the Salvage Auction Certification Form in Appendix F to this part, signed by an official with authority to bind the salvage auction;

(2) At the time of the consignment, deliver the signed Salvage Auction Certification Form to the dealer that authorized the salvage auction to sell the trade-in vehicle.

(1) Make the certifications contained in the Salvage Auction Certification Form to the dealer that authorized the salvage auction to sell the trade-in vehicle; and

(3) Comply with the requirements and limitations of § 599.402.

EDITORIAL NOTE: At 74 FR 37902, July 29, 2009, § 599.400 was added, however, there was a codification error in the original document resulting in two paragraphs (c)(1).

§ 599.401 Requirements and limitations for disposal facilities that receive trade-in vehicles under the CARS program.

(a) The disposal facility must:

(1) Not more than 7 days after receiving the vehicle, report the vehicle to NMVTIS as a scrap vehicle.

(2) Remove and dispose of all refrigerants, antifreeze, lead products, mercury switches, and such other toxic or hazardous vehicle components prior to crushing or shredding in accordance with applicable Federal and State requirements;

(3) Crush or shred the trade-in vehicle onsite, including the engine block and the drive train (unless with respect to the drive train, the transmission, drive shaft, and rear end are sold separately), using its own machinery or a mobile crusher, within 270 days after receipt of the vehicle from the dealer or salvage auction;

(4) Not more than 7 days after the vehicle is crushed or shredded, report the vehicle to NMVTIS as crushed or shredded.

(b) The disposal facility may not sell or transfer the engine block of the vehicle or, except as allowed under paragraph (c)(2) of this section, the drive

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train before they are crushed or shredded or otherwise allow the vehicle to leave the disposal facility before it is crushed or shredded.

(c) The disposal facility may:

(1) Sell any part of the vehicle other than the engine block or drive train;

(2) Notwithstanding paragraph (c)(1) of this section, sell the drive train provided the transmission, drive shaft, and rear end are sold as separate parts;

(3) Retain the proceeds from parts sold under this paragraph.

(d) A completed Disposal Facility Certification Form (Appendix E to this part) for an individual transaction, which includes a certification by the disposal facility that the trade-in vehicle will be crushed or shredded within 180 days of receipt by the disposal facility, is deemed to be amended to include an extension of time such that the trade-in vehicle will be crushed or shredded within 270 days of receipt by the disposal facility.

[74 FR 37897, July 29, 2009, as amended at 75 FR 5251, Feb. 2, 2010]

§ 599.402 Requirements and limitations for salvage auctions that are consigned trade-in vehicles under the CARS program.

(a) The salvage auction must:

(1) Within 3 days after the date the dealer consigns the vehicle or prior to auctioning the vehicle, whichever is earlier, report the status of the vehicle to NMVTIS;

(2) Limit participation in the auction to disposal facilities that, when the auction is held:

(i) Appear on the list identified in § 599.201(a)(2) or are described in § 599.201(a)(3); and

(ii) Agree to make the certifications in the Salvage Auction Certification Form (Appendix F to this part).

(3) As a condition of transferring title to the disposal facility, obtain from that facility the signed Disposal Facility Certification Form (Appendix E to this part), insert on the top of the form the appropriate CARS invoice number received from the dealer, if known, and provide the form to NHTSA at *disposal@cars.gov*, and include that invoice number in the e-mail subject line.

(b) [Reserved]

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§ 599.403 Requirements and limitations for dealers.

A dealer receiving a Disposal Facility Certification Form or Salvage Auction Certification Form under § 599.400(b)(2) or (c)(2) shall insert on the top of the form the appropriate CARS invoice number, if known, and within 7 days of receipt, submit such certification form to NHTSA at *disposal@cars.gov*.

Subpart E—Enforcement

§ 599.500 Definitions.

As used in this subpart—

Administrator means the Administrator of the National Highway Traffic Safety Administration, or his or her designee.

Chief Counsel means the NHTSA Chief Counsel, or his or her designee.

Hearing Officer means a NHTSA employee who has been delegated the authority to assess civil penalties.

NHTSA Enforcement means the NHTSA Associate Administrator for Enforcement, or his or her designee.

Notice of violation means a notification of violation and preliminary assessment of penalty issued by the Chief Counsel to a party.

Party means the person alleged to have committed a violation of the CARS Act, regulations thereunder, or other applicable law, and includes an individual, a public or private corporation, and a partnership or other association.

Violation means any non-conformance with the CARS Act or the regulations in this part except § 599.200(e)(1)(i) and § 599.201(c)(1), the submission of incomplete or inaccurate information to NHTSA or an entity identified under this part, or the failure to maintain records, to permit access to records or to update information that has been submitted to NHTSA under this part, but does not include a clerical error. In the context of dealer registration and disposal facility or salvage auction participation eligibility, *violation* also includes any conviction of a crime involving motor vehicles or any fraud or financial crime under State or Federal law.