

105TH CONGRESS
2D SESSION

S. 852

AMENDMENT

In the House of Representatives, U. S.,

October 10, 1998.

Resolved, That the bill from the Senate (S. 852) entitled “An Act to establish nationally uniform requirements regarding the titling and registration of salvage, nonrepairable, and rebuilt vehicles”, do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

1 ***SECTION 1. SHORT TITLE.***

2 *This Act may be cited as the “National Salvage Motor*
3 *Vehicle Consumer Protection Act of 1998”.*

4 ***SEC. 2. MOTOR VEHICLE TITLING AND DISCLOSURE RE-***
5 ***QUIREMENTS.***

6 *(a) AMENDMENT TO TITLE 49, UNITED STATES*
7 *CODE.—Subtitle VI of title 49, United States Code, is*
8 *amended by inserting a new chapter at the end:*

9 ***“CHAPTER 333—AUTOMOBILE SAFETY AND***
10 ***TITLE DISCLOSURE REQUIREMENTS***

“Sec.

“33301. Definitions.

“33302. Passenger motor vehicle titling.

“33303. Disclosure and label requirements on transfer of rebuilt salvage vehicles.

“33304. Report on funding.

“33305. Effect on State law.

“33306. Civil penalties.

“33307. Actions by States.

1 **“§ 33301. Definitions**

2 “(a) *DEFINITIONS.—For the purposes of this chapter:*

3 “(1) *PASSENGER MOTOR VEHICLE.—The term*
 4 *‘passenger motor vehicle’ has the same meaning given*
 5 *such term by section 32101(10), except, notwithstand-*
 6 *ing section 32101(9), it includes a multipurpose pas-*
 7 *senger vehicle (constructed on a truck chassis or with*
 8 *special features for occasional off-road operation), a*
 9 *truck, other than a truck referred to in section*
 10 *32101(10)(B), and a pickup truck when that vehicle*
 11 *or truck is rated by the manufacturer of such vehicle*
 12 *or truck at not more than 10,000 pounds gross vehicle*
 13 *weight, and it only includes a vehicle manufactured*
 14 *primarily for use on public streets, roads, and high-*
 15 *ways.*

16 “(2) *SALVAGE VEHICLE.—The term ‘salvage ve-*
 17 *hicle’ means any passenger motor vehicle, other than*
 18 *a flood vehicle or a nonrepairable vehicle, which—*

19 “(A) *is a late model vehicle which has been*
 20 *wrecked, destroyed, or damaged, to the extent*
 21 *that the total cost of repairs to rebuild or recon-*
 22 *struct the passenger motor vehicle to its condi-*
 23 *tion immediately before it was wrecked, de-*
 24 *stroyed, or damaged, and for legal operation on*
 25 *the roads or highways, exceeds 75 percent of the*
 26 *retail value of the passenger motor vehicle;*

1 “(B) is a late model vehicle which has been
2 wrecked, destroyed, or damaged, and to which an
3 insurance company acquires ownership pursuant
4 to a damage settlement (except in the case of a
5 settlement in connection with a recovered stolen
6 vehicle, unless such vehicle sustained damage suf-
7 ficient to meet the damage threshold prescribed
8 by subparagraph (A)); or

9 “(C) the owner wishes to voluntarily des-
10 ignate as a salvage vehicle by obtaining a sal-
11 vage title, without regard to the level of damage,
12 age, or value of such vehicle or any other factor,
13 except that such designation by the owner shall
14 not impose on the insurer of the passenger motor
15 vehicle or on an insurer processing a claim made
16 by or on behalf of the owner of the passenger
17 motor vehicle any obligation or liability.

18 Notwithstanding any other provision of this chapter,
19 a State may use the term ‘older model salvage vehicle’
20 to designate a wrecked, destroyed, or damaged vehicle
21 that does not meet the definition of a late model vehi-
22 cle in paragraph (9). If a State has established or es-
23 tablishes a salvage definition at a lesser percentage
24 than provided under subparagraph (A), then that def-

1 *inition shall not be considered to be inconsistent with*
2 *the provisions of this chapter.*

3 “(3) *SALVAGE TITLE.*—*The term ‘salvage title’*
4 *means a passenger motor vehicle ownership document*
5 *issued by the State to the owner of a salvage vehicle.*
6 *A salvage title shall be conspicuously labeled with the*
7 *word ‘salvage’ across the front.*

8 “(4) *REBUILT SALVAGE VEHICLE.*—*The term ‘re-*
9 *built salvage vehicle’ means—*

10 “(A) *any passenger motor vehicle which was*
11 *previously issued a salvage title, has passed*
12 *State anti-theft inspection, has been issued a cer-*
13 *tificate indicating that the passenger motor vehi-*
14 *cle has passed the required anti-theft inspection,*
15 *has passed the State safety inspection in those*
16 *States requiring a safety inspection pursuant to*
17 *section 33302(b)(8), has been issued a certificate*
18 *indicating that the passenger motor vehicle has*
19 *passed the required safety inspection in those*
20 *States requiring such a safety inspection pursu-*
21 *ant to section 33302(b)(8), and has a decal stat-*
22 *ing ‘Rebuilt Salvage Vehicle—Anti-theft and*
23 *Safety Inspections Passed’ affixed to the driver’s*
24 *door jamb; or*

1 “(B) any passenger motor vehicle which was
 2 previously issued a salvage title, has passed a
 3 State anti-theft inspection, has been issued a cer-
 4 tificate indicating that the passenger motor vehi-
 5 cle has passed the required anti-theft inspection,
 6 and has, affixed to the driver’s door jamb, a
 7 decal stating ‘Rebuilt Salvage Vehicle—Anti-
 8 theft Inspection Passed/No Safety Inspection
 9 Pursuant to National Criteria’ in those States
 10 not requiring a safety inspection pursuant to
 11 section 33302(b)(8).

12 “(5) *REBUILT SALVAGE TITLE.*—The term ‘re-
 13 built salvage title’ means the passenger motor vehicle
 14 ownership document issued by the State to the owner
 15 of a rebuilt salvage vehicle. A rebuilt salvage title
 16 shall be conspicuously labeled either with the words
 17 ‘Rebuilt Salvage Vehicle—Anti-theft and Safety In-
 18 spections Passed’ or ‘Rebuilt Salvage Vehicle—Anti-
 19 theft Inspection Passed/No Safety Inspection Pursu-
 20 ant to National Criteria,’ as appropriate, across the
 21 front.

22 “(6) *NONREPAIRABLE VEHICLE.*—The term ‘non-
 23 repairable vehicle’ means any passenger motor vehi-
 24 cle, other than a flood vehicle, which is incapable of
 25 safe operation for use on roads or highways and

1 *which has no resale value except as a source of parts*
 2 *or scrap only or which the owner irreversibly des-*
 3 *ignates as a source of parts or scrap. Such passenger*
 4 *motor vehicle shall be issued a nonrepairable vehicle*
 5 *certificate and shall never again be titled or reg-*
 6 *istered.*

7 “(7) *NONREPAIRABLE VEHICLE CERTIFICATE.*—
 8 *The term ‘nonrepairable vehicle certificate’ means a*
 9 *passenger motor vehicle ownership document issued*
 10 *by the State to the owner of a nonrepairable vehicle.*
 11 *A nonrepairable vehicle certificate shall be conspicu-*
 12 *ously labeled with the word ‘Nonrepairable’ across the*
 13 *front.*

14 “(8) *SECRETARY.*—*The term ‘Secretary’ means*
 15 *the Secretary of Transportation.*

16 “(9) *LATE MODEL VEHICLE.*—*The term ‘Late*
 17 *Model Vehicle’ means any passenger motor vehicle*
 18 *which—*

19 “(A) *has a manufacturer’s model year des-*
 20 *ignation of or later than the year in which the*
 21 *vehicle was wrecked, destroyed, or damaged, or*
 22 *any of the six preceding years; or*

23 “(B) *has a retail value of more than \$7,500.*

1 *The Secretary shall adjust such retail value on an an-*
 2 *nual basis in accordance with changes in the con-*
 3 *sumer price index.*

4 “(10) *RETAIL VALUE.*—*The term ‘retail value’*
 5 *means the actual cash value, fair market value, or re-*
 6 *tail value of a passenger motor vehicle as—*

7 “(A) *set forth in a current edition of any*
 8 *nationally recognized compilation (to include*
 9 *automated databases) of retail values; or*

10 “(B) *determined pursuant to a market sur-*
 11 *vey of comparable vehicles with regard to condi-*
 12 *tion and equipment.*

13 “(11) *COST OF REPAIRS.*—*The term ‘cost of re-*
 14 *pairs’ means the estimated retail cost of parts needed*
 15 *to repair the vehicle or, if the vehicle has been re-*
 16 *paired, the actual retail cost of the parts used in the*
 17 *repair, and the cost of labor computed by using the*
 18 *hourly labor rate and time allocations that are rea-*
 19 *sonable and customary in the automobile repair in-*
 20 *dustry in the community where the repairs are to be*
 21 *performed.*

22 “(12) *FLOOD VEHICLE.*—

23 “(A) *IN GENERAL.*—*The term ‘flood vehicle’*
 24 *means any passenger motor vehicle that—*

1 “(i) has been acquired by an insurance
2 company as part of a damage settlement
3 due to water damage; or

4 “(ii) has been submerged in water to
5 the point that rising water has reached over
6 the door sill, has entered the passenger or
7 trunk compartment, and has exposed any
8 electrical, computerized, or mechanical com-
9 ponent to water, except where a passenger
10 motor vehicle which, pursuant to an inspec-
11 tion conducted by an insurance adjuster or
12 estimator, a motor vehicle repairer or motor
13 vehicle dealer in accordance with inspection
14 guidelines or procedures established by the
15 Secretary or the State, is determined—

16 “(I) to have no electrical, comput-
17 erized or mechanical components which
18 were damaged by water; or

19 “(II) to have one or more elec-
20 trical, computerized or mechanical
21 components which were damaged by
22 water and where all such damaged
23 components have been repaired or re-
24 placed.

1 “(B) *INSPECTION NOT REQUIRED FOR ALL*
 2 *FLOOD VEHICLES.*—No inspection under sub-
 3 paragraph (A) shall be required unless the owner
 4 or insurer of the passenger motor vehicle is seek-
 5 ing to avoid a brand of ‘Flood’ pursuant to this
 6 chapter.

7 “(C) *EFFECT OF DISCLOSURE.*—Disclosing
 8 a passenger motor vehicle’s status as a flood ve-
 9 hicle or conducting an inspection pursuant to
 10 subparagraph (A) shall not impose on any per-
 11 son any liability for damage to (except in the
 12 case of damage caused by the inspector at the
 13 time of the inspection) or reduced value of a pas-
 14 senger motor vehicle.

15 “(b) *CONSTRUCTION.*—The definitions set forth in sub-
 16 section (a) only apply to vehicles in a State which are
 17 wrecked, destroyed, or otherwise damaged on or after the
 18 date on which such State complies with the requirements
 19 of this chapter and the rule promulgated pursuant to sec-
 20 tion 33302(b).

21 **“§ 33302. Passenger motor vehicle titling**

22 “(a) *CARRY-FORWARD OF STATE INFORMATION.*—For
 23 any passenger motor vehicle, the ownership of which is
 24 transferred on or after the date that is 1 year after the date
 25 of the enactment of the National Salvage Motor Vehicle Con-

1 *sumer Protection Act of 1998, each State receiving funds,*
 2 *either directly or indirectly, appropriated under section*
 3 *30503(c) of this title after the date of the enactment of that*
 4 *Act, in licensing such vehicle for use, shall disclose in writ-*
 5 *ing on the certificate of title whenever records readily acces-*
 6 *sible to the State indicate that the passenger motor vehicle*
 7 *was previously issued a title that bore any word or symbol*
 8 *signifying that the vehicle was ‘salvage’, ‘older model sal-*
 9 *vage’, ‘unrebuildable’, ‘parts only’, ‘scrap’, ‘junk’, ‘non-*
 10 *repairable’, ‘reconstructed’, ‘rebuilt’, or any other symbol or*
 11 *word of like kind, or that it has been damaged by flood,*
 12 *and the name of the State that issued that title.*

13 “(b) *NATIONALLY UNIFORM TITLE STANDARDS AND*
 14 *CONTROL METHODS.—Not later than 18 months after the*
 15 *date of the enactment of the National Salvage Motor Vehicle*
 16 *Consumer Protection Act of 1998, the Secretary shall by*
 17 *rule require each State receiving funds, either directly or*
 18 *indirectly, appropriated under section 30503(c) of this title*
 19 *after the date of the enactment of that Act, in licensing any*
 20 *passenger motor vehicle where ownership of such passenger*
 21 *motor vehicle is transferred more than 2 years after publi-*
 22 *cation of such final rule, to apply uniform standards, proce-*
 23 *dures, and methods for the issuance and control of titles*
 24 *for motor vehicles and for information to be contained on*
 25 *such titles. Such titling standards, control procedures,*

1 *methods, and information shall include the following re-*
2 *quirements:*

3 “(1) *A State shall conspicuously indicate on the*
4 *face of the title or certificate for a passenger motor ve-*
5 *hicle, as applicable, if the passenger motor vehicle is*
6 *a salvage vehicle, a nonrepairable vehicle, a rebuilt*
7 *salvage vehicle, or a flood vehicle.*

8 “(2) *Such information concerning a passenger*
9 *motor vehicle’s status shall be conveyed on any subse-*
10 *quent title, including a duplicate or replacement title,*
11 *for the passenger motor vehicle issued by the original*
12 *titling State or any other State.*

13 “(3) *The title documents, the certificates, and de-*
14 *cals required by section 33301(4), and the issuing sys-*
15 *tem shall meet security standards minimizing the op-*
16 *portunities for fraud.*

17 “(4) *The certificate of title shall include the pas-*
18 *senger motor vehicle make, model, body type, year,*
19 *odometer disclosure, and vehicle identification num-*
20 *ber.*

21 “(5) *The title documents shall maintain a uni-*
22 *form layout, to be established in consultation with the*
23 *States or an organization representing them.*

1 “(6) A passenger motor vehicle designated as
2 nonrepairable shall be issued a nonrepairable vehicle
3 certificate and shall not be retitled.

4 “(7) No rebuilt salvage title shall be issued to a
5 salvage vehicle unless, after the salvage vehicle is re-
6 paired or rebuilt, it complies with the requirements
7 for a rebuilt salvage vehicle pursuant to section
8 33301(4). Any State inspection program operating
9 under this paragraph shall be subject to continuing
10 review by and approval of the Secretary. Any such
11 anti-theft inspection program shall include the follow-
12 ing:

13 “(A) A requirement that the owner of any
14 passenger motor vehicle submitting such vehicle
15 for an anti-theft inspection provide a completed
16 document identifying the vehicle’s damage prior
17 to being repaired, a list of replacement parts
18 used to repair the vehicle, and proof of owner-
19 ship of such replacement parts, as may be evi-
20 denced by bills of sale, invoices, or, if such docu-
21 ments are not available, other proof of ownership
22 for the replacement parts. The owner shall also
23 include an affirmation that the information in
24 the declaration is complete and accurate and

1 *that, to the knowledge of the declarant, no stolen*
2 *parts were used during the rebuilding.*

3 *“(B) A requirement to inspect the passenger*
4 *motor vehicle or any major part or any major*
5 *replacement part required to be marked under*
6 *section 33102 for signs of such mark or vehicle*
7 *identification number being illegally altered, de-*
8 *faced, or falsified. Any such passenger motor ve-*
9 *hicle or any such part having a mark or vehicle*
10 *identification number that has been illegally al-*
11 *tered, defaced, or falsified, and that cannot be*
12 *identified as having been legally obtained*
13 *(through bills of sale, invoices, or other owner-*
14 *ship documentation), shall be contraband and*
15 *subject to seizure. The Secretary, in consultation*
16 *with the Attorney General, shall, as part of the*
17 *rule required by this section, establish procedures*
18 *for dealing with those parts whose mark or vehi-*
19 *cle identification number is normally removed*
20 *during industry accepted remanufacturing or re-*
21 *building practices, which parts shall be deemed*
22 *identified for purposes of this section if they bear*
23 *a conspicuous mark of a type, and applied in*
24 *such a manner, as designated by the Secretary,*
25 *indicating that they have been rebuilt or re-*

1 *manufactured. With respect to any vehicle part,*
2 *the Secretary's rule, as required by this section,*
3 *shall acknowledge that a mark or vehicle identi-*
4 *fication number on such part may be legally re-*
5 *moved or altered as provided for in section 511*
6 *of title 18, United States Code, and shall direct*
7 *inspectors to adopt such procedures as may be*
8 *necessary to prevent the seizure of a part from*
9 *which the mark or vehicle identification number*
10 *has been legally removed or altered.*

11 *“(8) Any safety inspection for a rebuilt salvage*
12 *vehicle performed pursuant to this chapter shall be*
13 *performed in accordance with nationally uniform*
14 *safety inspection criteria established by the Secretary.*
15 *A State may determine whether to conduct such safety*
16 *inspection itself, contract with one or more third par-*
17 *ties, or permit self-inspection by a person licensed by*
18 *such State in an automotive-related business, all sub-*
19 *ject to criteria promulgated by the Secretary here-*
20 *under. Any State inspection program operating under*
21 *this paragraph shall be subject to continuing review*
22 *by and approval of the Secretary. A State requiring*
23 *such safety inspection may require the payment of a*
24 *fee for the privilege of such inspection or the process-*
25 *ing thereof.*

1 “(9) No duplicate or replacement title shall be
2 issued unless the word ‘duplicate’ is clearly marked
3 on the face thereof and unless the procedures for such
4 issuance are substantially consistent with Rec-
5 ommendation three of the Motor Vehicle Titling, Reg-
6 istration and Salvage Advisory Committee.

7 “(10) A State shall employ the following titling
8 and control methods:

9 “(A) If an insurance company is not in-
10 volved in a damage settlement involving a sal-
11 vage vehicle or a nonrepairable vehicle, the pas-
12 senger motor vehicle owner shall apply for a sal-
13 vage title or nonrepairable vehicle certificate,
14 whichever is applicable, before the passenger
15 motor vehicle is repaired or the ownership of the
16 passenger motor vehicle is transferred, but in
17 any event within 30 days after the passenger
18 motor vehicle is damaged.

19 “(B) If an insurance company, pursuant to
20 a damage settlement, acquires ownership of a
21 passenger motor vehicle that has incurred dam-
22 age requiring the vehicle to be titled as a salvage
23 vehicle or nonrepairable vehicle, the insurance
24 company or salvage facility or other agent on its
25 behalf shall apply for a salvage title or non-

1 *repairable vehicle certificate within 30 days after*
2 *the title is properly assigned by the owner to the*
3 *insurance company and delivered to the insur-*
4 *ance company or salvage facility or other agent*
5 *on its behalf with all liens released.*

6 *“(C) If an insurance company does not as-*
7 *sume ownership of an insured’s or claimant’s*
8 *passenger motor vehicle that has incurred dam-*
9 *age requiring the vehicle to be titled as a salvage*
10 *vehicle or nonrepairable vehicle, the insurance*
11 *company shall notify the owner of the owner’s*
12 *obligation to apply for a salvage title or non-*
13 *repairable vehicle certificate for the passenger*
14 *motor vehicle and notify the State passenger*
15 *motor vehicle titling office that a salvage title or*
16 *nonrepairable vehicle certificate should be issued*
17 *for the vehicle, except to the extent such notifica-*
18 *tion is prohibited by State insurance law.*

19 *“(D) If a leased passenger motor vehicle in-*
20 *curs damage requiring the vehicle to be titled as*
21 *a salvage vehicle or nonrepairable vehicle, the*
22 *lessor shall apply for a salvage title or non-*
23 *repairable vehicle certificate within 21 days after*
24 *being notified by the lessee that the vehicle has*
25 *been so damaged, except when an insurance com-*

pany, pursuant to a damage settlement, acquires ownership of the vehicle. The lessee of such vehicle shall inform the lessor that the leased vehicle has been so damaged within 30 days after the occurrence of the damage.

“(E) Any person acquiring ownership of a damaged passenger motor vehicle that meets the definition of a salvage or nonrepairable vehicle for which a salvage title or nonrepairable vehicle certificate has not been issued, shall apply for a salvage title or nonrepairable vehicle certificate, whichever is applicable. This application shall be made before the vehicle is further transferred, but in any event, within 30 days after ownership is acquired. The requirements of this subparagraph shall not apply to any scrap metal processor which acquires a passenger motor vehicle for the sole purpose of processing it into prepared grades of scrap and which so processes such vehicle.

“(F) State records shall note when a nonrepairable vehicle certificate is issued. No State shall issue a nonrepairable vehicle certificate after 2 transfers of ownership.

“(G) When a passenger motor vehicle has been flattened, baled, or shredded, whichever

comes first, the title or nonrepairable vehicle certificate for the vehicle shall be surrendered to the State within 30 days. If the second transferee on a nonrepairable vehicle certificate is unequipped to flatten, bale, or shred the vehicle, such transferee shall, at the time of final disposal of the vehicle, use the services of a professional automotive recycler or professional scrap processor who is hereby authorized to flatten, bale, or shred the vehicle and to effect the surrender of the nonrepairable vehicle certificate to the State on behalf of such second transferee. State records shall be updated to indicate the destruction of such vehicle and no further ownership transactions for the vehicle will be permitted. If different than the State of origin of the title or nonrepairable vehicle certificate, the State of surrender shall notify the State of origin of the surrender of the title or nonrepairable vehicle certificate and of the destruction of such vehicle.

“(H) When a salvage title is issued, the State records shall so note. No State shall permit the retitling for registration purposes or issuance of a rebuilt salvage title for a passenger motor vehicle with a salvage title without a certificate

1 *of inspection, which complies with the security*
2 *and guideline standards established by the Sec-*
3 *retary pursuant to paragraphs (3), (7), and (8),*
4 *as applicable, indicating that the vehicle has*
5 *passed the inspections required by the State.*
6 *This subparagraph does not preclude the*
7 *issuance of a new salvage title for a salvage vehi-*
8 *cle after a transfer of ownership.*

9 *“(I) After a passenger motor vehicle titled*
10 *with a salvage title has passed the inspections re-*
11 *quired by the State, the inspection official will*
12 *affix the secure decal required pursuant to sec-*
13 *tion 33301(4) to the driver’s door jamb of the ve-*
14 *hicle and issue to the owner of the vehicle a cer-*
15 *tificate indicating that the passenger motor vehi-*
16 *cle has passed the inspections required by the*
17 *State. The decal shall comply with the perma-*
18 *nency requirements established by the Secretary.*

19 *“(J) The owner of a passenger motor vehicle*
20 *titled with a salvage title may obtain a rebuilt*
21 *salvage title or vehicle registration, or both, by*
22 *presenting to the State the salvage title, properly*
23 *assigned, if applicable, along with the certificate*
24 *that the vehicle has passed the inspections re-*
25 *quired by the State. With such proper docu-*

1 *mentation and upon request, a rebuilt salvage*
2 *title or registration, or both, shall be issued to*
3 *the owner. When a rebuilt salvage title is issued,*
4 *the State records shall so note.*

5 “(11) *A seller of a passenger motor vehicle that*
6 *becomes a flood vehicle shall, prior to the time of*
7 *transfer of ownership of the vehicle, give the transferee*
8 *a written notice that the vehicle has been damaged by*
9 *flood, provided such person has actual knowledge that*
10 *such vehicle has been damaged by flood. At the time*
11 *of the next title application for the vehicle, disclosure*
12 *of the flood status shall be provided to the applicable*
13 *State with the properly assigned title and the word*
14 *‘Flood’ shall be conspicuously labeled across the front*
15 *of the new title.*

16 “(12) *In the case of a leased passenger motor ve-*
17 *hicle, the lessee, within 15 days of the occurrence of*
18 *the event that caused the vehicle to become a flood ve-*
19 *hicle, shall give the lessor written disclosure that the*
20 *vehicle is a flood vehicle.*

21 “(13) *Ownership of a passenger motor vehicle*
22 *may be transferred on a salvage title, however, a pas-*
23 *senger motor vehicle for which a salvage title has been*
24 *issued shall not be registered for use on the roads or*

1 *highways unless it has been issued a rebuilt salvage*
 2 *title.*

3 “(14) *Ownership of a passenger motor vehicle*
 4 *may be transferred on a rebuilt salvage title, and a*
 5 *passenger motor vehicle for which a rebuilt salvage*
 6 *title has been issued may, if permitted by State law,*
 7 *be registered for use on the roads and highways.*

8 “(15) *Ownership of a passenger motor vehicle*
 9 *may only be transferred 2 times on a nonrepairable*
 10 *vehicle certificate. A passenger motor vehicle for which*
 11 *a nonrepairable vehicle certificate has been issued can*
 12 *never be titled or registered for use on roads or high-*
 13 *ways.*

14 “(c) *CONSUMER NOTICE IN NONCOMPLIANT STATES.—*
 15 *Any State receiving, either directly or indirectly, funds ap-*
 16 *propriated under section 30503(c) of this title after the date*
 17 *of enactment of the National Salvage Motor Vehicle Con-*
 18 *sumer Protection Act of 1998 and not complying with the*
 19 *requirements of subsections (a) and (b) of this section, shall*
 20 *conspicuously print the following notice on all titles or own-*
 21 *ership certificates issued for passenger motor vehicles in*
 22 *such State until such time as such State is in compliance*
 23 *with the requirements of subsections (a) and (b) of this sec-*
 24 *tion: ‘NOTICE: This State does not conform to the uniform*

1 *Federal requirements of the National Salvage Motor Vehicle*
 2 *Consumer Protection Act of 1998.’.*

3 “(d) *ELECTRONIC PROCEDURES.*—*A State may em-*
 4 *ploy electronic procedures in lieu of paper documents when-*
 5 *ever such electronic procedures provide the same informa-*
 6 *tion, function, and security otherwise required by this sec-*
 7 *tion.*

8 **“§ 33303. Disclosure and label requirements on trans-**
 9 ***fer of rebuilt salvage vehicles***

10 “(a) *WRITTEN DISCLOSURE REQUIREMENTS.*—

11 “(1) *GENERAL RULE.*—*Under regulations pre-*
 12 *scribed by the Secretary of Transportation, a person*
 13 *transferring ownership of a rebuilt salvage vehicle*
 14 *shall, prior to the time of transfer of ownership of the*
 15 *vehicle, give the transferee a written disclosure that*
 16 *the vehicle is a rebuilt salvage vehicle when such per-*
 17 *son has actual knowledge of the status of such vehicle.*

18 “(2) *FALSE STATEMENT.*—*A person making a*
 19 *written disclosure required by a regulation prescribed*
 20 *under paragraph (1) of this subsection may not make*
 21 *a false statement in the disclosure.*

22 “(3) *COMPLETENESS.*—*A person acquiring a re-*
 23 *built salvage vehicle for resale may accept a disclosure*
 24 *under paragraph (1) only if it is complete.*

1 “(4) *REGULATIONS.*—*The regulations prescribed*
 2 *by the Secretary shall provide the way in which in-*
 3 *formation is disclosed and retained under paragraph*
 4 *(1).*

5 “(b) *LABEL REQUIREMENTS.*—

6 “(1) *IN GENERAL.*—*The Secretary shall by regu-*
 7 *lation require that a label be affixed to the windshield*
 8 *or window of a rebuilt salvage vehicle before its first*
 9 *sale at retail containing such information regarding*
 10 *that vehicle as the Secretary may require. The label*
 11 *shall be affixed by the individual who conducts the*
 12 *applicable State antitheft inspection in a participat-*
 13 *ing State.*

14 “(2) *REMOVAL, ALTERATION, OR ILLEGIBILITY*
 15 *OF REQUIRED LABEL.*—*No person shall willfully re-*
 16 *move, alter, or render illegible any label required by*
 17 *paragraph (1) affixed to a rebuilt salvage vehicle be-*
 18 *fore the vehicle is delivered to the actual custody and*
 19 *possession of the first retail purchaser.*

20 “(c) *LIMITATION.*—*The requirements of subsections (a)*
 21 *and (b) shall only apply to a transfer of ownership of a*
 22 *rebuilt salvage vehicle where such transfer occurs in a State*
 23 *which, at the time of the transfer, is complying with sub-*
 24 *sections (a) and (b) of section 33302.*

1 **“§ 33304. Report on funding**

2 *“The Secretary shall, contemporaneously with the*
 3 *issuance of a final rule pursuant to section 33302(b), report*
 4 *to appropriate committees of Congress whether the costs to*
 5 *the States of compliance with such rule can be met by user*
 6 *fees for issuance of titles, issuance of registrations, issuance*
 7 *of duplicate titles, inspection of rebuilt vehicles, or for the*
 8 *State services, or by earmarking any moneys collected*
 9 *through law enforcement action to enforce requirements es-*
 10 *tablished by such rule.*

11 **“§ 33305. Effect on State law**

12 *“(a) IN GENERAL.—Unless a State is in compliance*
 13 *with subsection (c) of section 33302, effective on the date*
 14 *the rule promulgated pursuant to section 33302 becomes ef-*
 15 *fective, the provisions of this chapter shall preempt all State*
 16 *laws in States receiving funds, either directly or indirectly,*
 17 *appropriated under section 30503(c) of this title after the*
 18 *date of the enactment of the National Salvage Motor Vehicle*
 19 *Consumer Protection Act of 1998, to the extent they are in-*
 20 *consistent with the provisions of this chapter or the rule*
 21 *promulgated pursuant to section 33302, which—*

22 *“(1) set forth the form of the passenger motor ve-*
 23 *hicle title;*

24 *“(2) define, in connection with a passenger*
 25 *motor vehicle (but not in connection with a passenger*
 26 *motor vehicle part or part assembly separate from a*

1 *passenger motor vehicle), any term defined in section*
 2 *33301 or the terms ‘salvage’, ‘nonrepairable’, or*
 3 *‘flood’, or apply any of those terms to any passenger*
 4 *motor vehicle (but not to a passenger motor vehicle*
 5 *part or part assembly separate from a passenger*
 6 *motor vehicle); or*

7 *“(3) set forth titling, recordkeeping, anti-theft in-*
 8 *spection, or control procedures in connection with any*
 9 *salvage vehicle, rebuilt salvage vehicle, nonrepairable*
 10 *vehicle, or flood vehicle.*

11 “(b) *EXCEPTIONS.*—

12 “(1) *PASSENGER MOTOR VEHICLE; OLDER*
 13 *MODEL SALVAGE.*—*Subsection (a)(2) does not preempt*
 14 *State use of the term—*

15 “(A) *‘passenger motor vehicle’ in statutes*
 16 *not related to titling, recordkeeping, anti-theft*
 17 *inspection, or control procedures in connection*
 18 *with any salvage vehicle, rebuilt salvage vehicle,*
 19 *nonrepairable vehicle, or flood vehicle ; or*

20 “(B) *‘older model salvage’ to designate a*
 21 *wrecked, destroyed, or damaged vehicle that is*
 22 *older than a late model vehicle.*

23 “(2) *CONSUMER LAW ACTIONS.*—*Nothing in this*
 24 *chapter may be construed to affect any private right*
 25 *of action under State law.*

1 “(c) *CONSTRUCTION.*—Additional disclosures of a pas-
2 senger motor vehicle’s title status or history, in addition
3 to the terms defined in section 33301, shall not be deemed
4 inconsistent with the provisions of this chapter. Such disclo-
5 sures shall include disclosures made on a certificate of title.
6 When used in connection with a passenger motor vehicle
7 (but not in connection with a passenger motor vehicle part
8 or part assembly separate from a passenger motor vehicle),
9 any definition of a term defined in section 33301 which
10 is different than the definition in that section or any use
11 of any term listed in subsection (a), but not defined in sec-
12 tion 33301, shall be deemed inconsistent with the provisions
13 of this chapter. Nothing in this chapter shall preclude a
14 State from disclosing on a rebuilt national salvage title that
15 a rebuilt national salvage vehicle has passed a State safety
16 inspection which differed from the nationally uniform cri-
17 teria to be promulgated pursuant to section 33302(b)(8).

18 **“§ 33306. Civil penalties**

19 “(a) *PROHIBITED ACTS.*—It is unlawful for any per-
20 son knowingly to—

21 “(1) make or cause to be made any false state-
22 ment on an application for a title (or duplicate title)
23 for a passenger motor vehicle or any disclosure made
24 pursuant to section 33303;

1 “(2) fail to apply for a salvage title when such
2 an application is required;

3 “(3) alter, forge, or counterfeit a certificate of
4 title (or an assignment thereof), a nonrepairable vehi-
5 cle certificate, a certificate verifying an anti-theft in-
6 spection or an anti-theft and safety inspection, a
7 decal affixed to a passenger motor vehicle pursuant to
8 section 33302(b)(10)(I), or any disclosure made pur-
9 suant to section 33303;

10 “(4) falsify the results of, or provide false infor-
11 mation in the course of, an inspection conducted pur-
12 suant to section 33302(b)(7) or (8);

13 “(5) offer to sell any salvage vehicle or non-
14 repairable vehicle as a rebuilt salvage vehicle;

15 “(6) fail to make any disclosure required by sec-
16 tion 33302(b)(11);

17 “(7) fail to make any disclosure required by sec-
18 tion 33303;

19 “(8) violate a regulation prescribed under this
20 chapter;

21 “(9) move a vehicle or a vehicle title in interstate
22 commerce for the purpose of avoiding the titling re-
23 quirements of this chapter; or

1 “(10) *conspire to commit any of the acts enu-*
 2 *merated in paragraph (1), (2), (3), (4), (5), (6), (7),*
 3 *(8), or (9).*

4 “(b) *CIVIL PENALTY.—Any person who commits an*
 5 *unlawful act as provided in subsection (a) of this section*
 6 *shall be fined a civil penalty of up to \$2,000 per offense.*
 7 *A separate violation occurs for each passenger motor vehicle*
 8 *involved in the violation.*

9 **“§ 33307. Actions by States**

10 “(a) *IN GENERAL.—When a person violates any provi-*
 11 *sion of this chapter, the chief law enforcement officer of the*
 12 *State in which the violation occurred may bring an ac-*
 13 *tion—*

14 “(1) *to restrain the violation;*

15 “(2) *recover amounts for which a person is liable*
 16 *under section 33306; or*

17 “(3) *to recover the amount of damage suffered by*
 18 *any resident in that State who suffered damage as a*
 19 *result of the knowing commission of an unlawful act*
 20 *under section 33306(a) by another person.*

21 “(b) *STATUTE OF LIMITATIONS.—An action under*
 22 *subsection (a) shall be brought in any court of competent*
 23 *jurisdiction within 2 years after the date on which the vio-*
 24 *lation occurs.*

1 “(c) *NOTICE.*—*The State shall serve prior written no-*
 2 *tice of any action under subsection (a) or (f)(2) upon the*
 3 *Attorney General of the United States and provide the At-*
 4 *torney General with a copy of its complaint, except that*
 5 *if it is not feasible for the State to provide such prior notice,*
 6 *the State shall serve such notice immediately upon institut-*
 7 *ing such action. Upon receiving a notice respecting an ac-*
 8 *tion, the Attorney General shall have the right—*

9 “(1) *to intervene in such action;*

10 “(2) *upon so intervening, to be heard on all mat-*
 11 *ters arising therein; and*

12 “(3) *to file petitions for appeal.*

13 “(d) *CONSTRUCTION.*—*For purposes of bringing any*
 14 *action under subsection (a), nothing in this Act shall pre-*
 15 *vent an attorney general from exercising the powers con-*
 16 *ferred on the attorney general by the laws of such State*
 17 *to conduct investigations or to administer oaths or affirma-*
 18 *tions or to compel the attendance of witnesses or the produc-*
 19 *tion of documentary and other evidence.*

20 “(e) *VENUE; SERVICE OF PROCESS.*—*Any action*
 21 *brought under subsection (a) in a district court of the*
 22 *United States may be brought in the district in which the*
 23 *defendant is found, is an inhabitant, or transacts business*
 24 *or wherever venue is proper under section 1391 of title 28,*
 25 *United States Code. Process in such an action may be*

1 served in any district in which the defendant is an inhab-
 2 itant or in which the defendant may be found.

3 “(f) *ACTIONS BY STATE OFFICIALS.*—

4 “(1) Nothing contained in this section shall pro-
 5 hibit an attorney general of a State or other author-
 6 ized State official from proceeding in State court on
 7 the basis of an alleged violation of any civil or crimi-
 8 nal statute of such State.

9 “(2) In addition to actions brought by an attor-
 10 ney general of a State under subsection (a), such an
 11 action may be brought by officers of such State who
 12 are authorized by the State to bring actions in such
 13 State on behalf of its residents.”.

14 (b) *CONFORMING AMENDMENT.*—The table of chapters
 15 for part C at the beginning of subtitle VI of title 49, United
 16 States Code, is amended by inserting at the end the follow-
 17 ing new item:

“333. *AUTOMOBILE SAFETY AND TITLE DISCLOSURE RE-*
QUIREMENTS 33301”.

18 **SEC. 3. AMENDMENTS TO CHAPTER 305.**

19 (a) *DEFINITIONS.*—

20 (1) Section 30501(4) of title 49, United States
 21 Code, is amended to read as follows:

22 “(4) ‘nonrepairable vehicle’, ‘salvage vehicle’, and
 23 ‘rebuilt salvage vehicle’ have the same meanings given
 24 those terms in section 33301 of this title.”.

1 (2) *Section 30501(5) of such title is amended by*
 2 *striking “junk automobiles” and inserting “non-*
 3 *repairable vehicles”.*

4 (3) *Section 30501(8) of such title is amended by*
 5 *striking “salvage automobiles” and inserting “salvage*
 6 *vehicles”.*

7 (4) *Section 30501 of such title is amended by*
 8 *striking paragraph (7) and redesignating paragraphs*
 9 *(8) and (9) as paragraphs (7) and (8), respectively.*

10 **(b) NATIONAL MOTOR VEHICLE TITLE INFORMATION**
 11 **SYSTEM.—**

12 (1) *Section 30502(d)(3) of title 49, United States*
 13 *Code, is amended to read as follows:*

14 *“(3) whether an automobile known to be titled in*
 15 *a particular State is or has been a nonrepairable ve-*
 16 *hicle, a rebuilt salvage vehicle, or a salvage vehicle;”.*

17 (2) *Section 30502(d)(5) of such title is amended*
 18 *to read as follows:*

19 *“(5) whether an automobile bearing a known ve-*
 20 *hicle identification number has been reported as a*
 21 *nonrepairable vehicle, a rebuilt salvage vehicle, or a*
 22 *salvage vehicle under section 30504 of this title.”.*

23 **(c) STATE PARTICIPATION.—***Section 30503 of title 49,*
 24 *United States Code, is amended to read as follows:*

1 **“§ 30503. State participation**

2 “(a) *STATE INFORMATION.*—*Each State receiving*
 3 *funds appropriated under subsection (c) shall make titling*
 4 *information maintained by that State available for use in*
 5 *operating the National Motor Vehicle Title Information*
 6 *System established or designated under section 30502 of this*
 7 *title.*

8 “(b) *VERIFICATION CHECKS.*—*Each State receiving*
 9 *funds appropriated under subsection (c) shall establish a*
 10 *practice of performing an instant title verification check be-*
 11 *fore issuing a certificate of title to an individual or entity*
 12 *claiming to have purchased an automobile from an individ-*
 13 *ual or entity in another State. The check shall consist of—*

14 “(1) *communicating to the operator—*

15 “(A) *the vehicle identification number of the*
 16 *automobile for which the certificate of title is*
 17 *sought;*

18 “(B) *the name of the State that issued the*
 19 *most recent certificate of title for the automobile;*
 20 *and*

21 “(C) *the name of the individual or entity to*
 22 *whom the certificate of title was issued; and*

23 “(2) *giving the operator an opportunity to com-*
 24 *municate to the participating State the results of a*
 25 *search of the information.*

26 “(c) *GRANTS TO STATES.*—

1 “(1) *In cooperation with the States and not later*
 2 *than January 1, 1994, the Attorney General shall—*

3 “(A) *conduct a review of systems used by*
 4 *the States to compile and maintain information*
 5 *about the titling of automobiles; and*

6 “(B) *determine for each State the cost of*
 7 *making titling information maintained by that*
 8 *State available to the operator to meet the re-*
 9 *quirements of section 30502(d) of this title.*

10 “(2) *The Attorney General may make reasonable*
 11 *and necessary grants to participating States to be*
 12 *used in making titling information maintained by*
 13 *those States available to the operator.*

14 “(d) *REPORT TO CONGRESS.—Not later than October*
 15 *1, 1998, the Attorney General shall report to Congress on*
 16 *which States have met the requirements of this section. If*
 17 *a State has not met the requirements, the Attorney General*
 18 *shall describe the impediments that have resulted in the*
 19 *State’s failure to meet the requirements.”.*

20 “(d) *REPORTING REQUIREMENTS.—Section 30504 of*
 21 *title 49, United States Code, is amended by striking “junk*
 22 *automobiles or salvage automobiles” every place it appears*
 23 *and inserting “nonrepairable vehicles, rebuilt salvage vehi-*
 24 *cles, or salvage vehicles”.*

1 **SEC. 4. DEALER NOTIFICATION PROGRAM FOR PROHIBITED**
 2 **SALE OF NONQUALIFYING VEHICLES FOR USE**
 3 **AS SCHOOLBUSES.**

4 *Section 30112 of title 49, United States Code, is*
 5 *amended by adding at the end thereof the following:*

6 *“(c) NOTIFICATION PROGRAM FOR DEALERS CON-*
 7 *CERNING SALES OF VEHICLES AS SCHOOLBUSES.—Not*
 8 *later than September 1, 1998, the Secretary shall develop*
 9 *and implement a program to notify dealers and distributors*
 10 *in the United States that subsection (a) prohibits the sale*
 11 *or delivery of any vehicle for use as a schoolbus (as that*
 12 *term is defined in section 30125(a)(1) of this title) that does*
 13 *not meet the standards prescribed under section 30125(b)*
 14 *of this title.”.*

Attest:

Clerk.