

Senate Bill No. 360—Committee on Energy,
Infrastructure and Transportation

CHAPTER.....

AN ACT relating to vehicles; authorizing a person other than an automobile wrecker, dealer of new or used motor vehicles or rebuilder to obtain an identifying card and bid to purchase a vehicle other than a nonrepairable vehicle from the operator of a salvage pool; imposing a fee for the issuance of such a card; prohibiting a person who obtains such a card from purchasing from operators of salvage pools in this State more than three vehicles in any calendar year; increasing the period within which an insurance company or its authorized agent must submit an application for a salvage title or nonrepairable vehicle certificate for a salvage vehicle; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides that only a licensed automobile wrecker, dealer of new or used motor vehicles or rebuilder may bid to purchase a vehicle from the operator of a salvage pool. (NRS 487.470) **Section 5** of this bill authorizes a person other than an automobile wrecker, dealer of new or used motor vehicles or rebuilder to bid to purchase a vehicle other than a nonrepairable vehicle from the operator of a salvage pool, but prohibits the person from: (1) purchasing more than three such vehicles in any calendar year from operators of salvage pools in this State; (2) purchasing such vehicles for resale; (3) bidding to purchase a nonrepairable vehicle; or (4) assisting, soliciting or conspiring with another person to engage in any of those acts. **Section 2.3** of this bill requires such a person, before he bids to purchase a salvage vehicle, to obtain an identifying card which must contain the person's name and signature, personal address, business name and address, if applicable, and picture. **Section 2.3** requires the Department of Motor Vehicles to charge a fee of \$50 for the issuance of each card. A card expires on December 31 of the year in which it is issued but may be renewed upon application and payment of a renewal fee of \$25. The fees collected by the Department from the issuance of the cards must be deposited with the State Treasurer for credit to the Motor Vehicle Fund. **Section 2.5** of this bill prohibits a person who is licensed or who is required to be licensed as an automobile wrecker, dealer of new or used motor vehicles or rebuilder from applying for or obtaining an identifying card described in **section 2.3**. **Section 10** of this bill provides that any person who violates the provisions of **section 2.3** or **2.5** is guilty of a misdemeanor. (NRS 487.510)

Section 11 of this bill increases from 60 to 180 days the period within which an insurance company or its authorized agent is required to submit an application for a salvage title or nonrepairable vehicle certificate for a salvage vehicle to the Department of Motor Vehicles. (NRS 487.800)



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 482.31776 is hereby amended to read as follows:

482.31776 1. A consignee of a vehicle shall, upon entering into a consignment contract or other form of agreement to sell a vehicle owned by another person:

(a) Open and maintain a separate trust account in a federally insured bank or savings and loan association that is located in this State, into which the consignee shall deposit all money received from a prospective buyer as a deposit, or as partial or full payment of the purchase price agreed upon, toward the purchase or transfer of interest in the vehicle. A consignee of a vehicle shall not:

(1) Commingle the money in the trust account with any other money that is not on deposit or otherwise maintained toward the purchase of the vehicle subject to the consignment contract or agreement; or

(2) Use any money in the trust account to pay his operational expenses for any purpose that is not related to the consignment contract or agreement.

(b) Obtain from the consignor, before receiving delivery of the vehicle, a signed and dated disclosure statement that is included in the consignment contract and provides in at least 10-point bold type or font:

IMPORTANT NOTICE TO VEHICLE OWNERS

State law (NRS 482.31776) requires that the operator of this business file a Uniform Commercial Code 1 (UCC1) form with the Office of the Secretary of State on your behalf to protect your interest in your vehicle. The form is required to protect your vehicle from forfeiture in the event that the operator of this business fails to meet his financial obligations to a third party holding a security interest in his inventory. The form must be filed by the operator of this business before he may take possession of your vehicle. If the form is not filed as required, **YOU MAY LOSE YOUR VEHICLE THROUGH NO FAULT OF YOUR OWN.** For a copy of the UCC1 form filed on your behalf or for more information, please contact:



The Office of the Secretary of State of Nevada
Uniform Commercial Code Division
(775) 684-5708

I understand and acknowledge the above disclosure.

.....
Consignee Signature Date

(c) Assist the consignor in completing, with respect to the consignor's purchase-money security interest in the vehicle, a ~~financial~~ **financing** statement of the type described in subsection 5 of NRS 104.9317 and shall file the ~~financial~~ **financing** statement with the Secretary of State on behalf of the consignor. If a consignee has previously granted to a third party a security interest with an after-acquired property clause in the consignee's inventory, the consignee additionally shall assist the consignor in sending an authenticated notification, as described in paragraph (b) of subsection 1 of NRS 104.9324, to each holder of a conflicting security interest. The consignee must not receive delivery of the vehicle until the consignee has:

(1) Filed the financing statement with the Secretary of State; and

(2) If applicable, assisted the consignor in sending an authenticated notification to each holder of a conflicting security interest.

2. Upon the sale or transfer of interest in the vehicle, the consignee shall forthwith:

(a) Satisfy or cause to be satisfied all outstanding security interests in the vehicle; and

(b) Satisfy the financial obligations due the consignor pursuant to the consignment contract.

3. Upon the receipt of money by delivery of cash, bank check or draft, or any other form of legal monetary exchange, or after any form of transfer of interest in a vehicle, the consignee shall notify the consignor that the money has been received or that a transfer of interest in the vehicle has occurred. Notification by the consignee to the consignor must be given in person or, in the absence of the consignor, by registered or certified mail addressed to the last address or residence of the consignor known to the consignee. The notification must be made within 3 business days after the date on which the money is received or the transfer of interest in the vehicle is made.



4. The provisions of this section do not apply to:
- (a) An executor;
 - (b) An administrator;
 - (c) A sheriff;
 - (d) A salvage pool subject to the provisions of NRS 487.400 to 487.510, inclusive ~~§~~, and sections 2.3, 2.5 and 2.7 of this act; or
 - (e) Any other person who sells a vehicle pursuant to the powers or duties granted to or imposed on him by specific statute.

5. Notwithstanding any provision of NRS 482.423 to 482.4247, inclusive, to the contrary, a vehicle subject to a consignment contract may not be operated by the consignee, an employee or agent of the consignee, or a prospective buyer in accordance with NRS 482.423 to 482.4247, inclusive, by displaying a temporary placard to operate the vehicle unless the operation of the vehicle is authorized by the express written consent of the consignor.

6. A vehicle subject to a consignment contract may not be operated by the consignee, an employee or agent of the consignee, or a prospective buyer in accordance with NRS 482.320 by displaying a special plate unless the operation of the vehicle is authorized by the express written consent of the consignor.

7. A consignee shall maintain a written log for each vehicle for which he has entered into a consignment contract. The written log must include:

- (a) The name and address, or place of residence, of the consignor;
- (b) A description of the vehicle consigned, including the year, make, model and serial or identification number of the vehicle;
- (c) The date on which the consignment contract is entered into;
- (d) The period that the vehicle is to be consigned;
- (e) The minimum agreed upon sales price for the vehicle;
- (f) The approximate amount of money due any lienholder or other person known to have an interest in the vehicle;
- (g) If the vehicle is sold, the date on which the vehicle is sold;
- (h) The date that the money due the consignor and the lienholder was paid;
- (i) The name and address of the federally insured bank or savings and loan association in which the consignee opened the trust account required pursuant to subsection 1; and
- (j) The signature of the consignor acknowledging that the terms of the consignment contract were fulfilled or terminated, as appropriate.



8. A person who:

(a) Appropriates, diverts or otherwise converts to his own use money in a trust account opened pursuant to paragraph (a) of subsection 1 or otherwise subject to a consignment contract or agreement is guilty of embezzlement and shall be punished in accordance with NRS 205.300. The court shall, in addition to any other penalty, order the person to pay restitution.

(b) Violates paragraphs (b) or (c) of subsection 1 is guilty of a misdemeanor. The court shall, in addition to any other penalty, order the person to pay restitution.

(c) Violates any other provision of this section is guilty of a misdemeanor.

Sec. 2. Chapter 487 of NRS is hereby amended by adding thereto the provisions set forth as sections 2.3, 2.5 and 2.7 of this act.

Sec. 2.3. *1. An identifying card authorizing a person other than a licensed automobile wrecker, dealer of new or used motor vehicles or rebuilder to bid to purchase a vehicle other than a nonrepairable vehicle from an operator of a salvage pool must contain the person's:*

- (a) Name and signature;*
- (b) Personal address;*
- (c) Business name, if applicable;*
- (d) Business address, if applicable; and*
- (e) Picture.*

2. The Department shall charge a fee of \$50 for each identifying card issued in accordance with this section.

3. An identifying card issued in accordance with this section expires on December 31 of the year in which it is issued. The person must submit to the Department an application for renewal accompanied by a renewal fee of \$25. The application must be made on a form provided by the Department and contain such information as the Department requires.

4. Fees collected by the Department pursuant to this section must be deposited with the State Treasurer for credit to the Motor Vehicle Fund.

Sec. 2.5. *A person who is licensed as or who is required to be licensed as an automobile wrecker, dealer of new or used motor vehicles or rebuilder shall not apply for or obtain an identifying card described in section 2.3 of this act.*



Sec. 2.7. *The Department shall adopt regulations to carry out the provisions of this section, NRS 487.400 to 487.510, inclusive, and sections 2.3 and 2.5 of this act.*

Sec. 3. NRS 487.400 is hereby amended to read as follows:

487.400 As used in NRS 487.400 to 487.510, inclusive **[H]** , *and sections 2.3, 2.5 and 2.7 of this act:*

1. "Identifying card" means a card:

(a) Authorizing the holder to bid for the purchase of vehicles from the operator of a salvage pool; and

(b) Containing the information required by NRS 487.070 or 487.475 **[H]** *or section 2.3 of this act.*

2. "Salvage pool" means a business which obtains motor vehicles from:

(a) Insurers and self-insurers for sale on consignment or as an agent for the insurer or self-insurer if the vehicles are acquired by the insurer or self-insurer as the result of a settlement for insurance; or

(b) Licensed vehicle dealers, rebuilders, lessors or wreckers for sale on consignment.

Sec. 4. NRS 487.420 is hereby amended to read as follows:

487.420 1. No applicant may be granted a license to operate a salvage pool until he has procured and filed with the Department a good and sufficient bond in the amount of \$50,000, with a corporate surety thereon licensed to do business in the State of Nevada, approved as to form by the Attorney General, and conditioned that the applicant conducts his business as an operator of a salvage pool without fraud or fraudulent representation, and without violation of the provisions of NRS 487.400 to 487.510, inclusive **[H]** , *and sections 2.3, 2.5 and 2.7 of this act.* The Department may, by agreement with any operator of a salvage pool who has been licensed by the Department for 5 years or more, allow a reduction in the amount of his bond, if his business has been conducted satisfactorily for the preceding 5 years, but no bond may be in an amount less than \$5,000.

2. The bond may be continuous in form and the total aggregate liability on the bond must be limited to the payment of the total amount of the bond.

3. The bond must provide that any person injured by the action of the operator of the salvage pool in violation of any of the provisions of NRS 487.400 to 487.510, inclusive, *and sections 2.3, 2.5 and 2.7 of this act* may apply to the Director for compensation from the bond. The Director, for good cause shown and after notice and opportunity for hearing, may determine the amount of



compensation and the person to whom it is to be paid. The surety shall then make the payment.

4. In lieu of a bond an operator of a salvage pool may deposit with the Department, under the terms prescribed by the Department:

(a) A like amount of money or bonds of the United States or of the State of Nevada of an actual market value of not less than the amount fixed by the Department; or

(b) A savings certificate of a bank, credit union or savings and loan association situated in Nevada, which must indicate an account of an amount equal to the amount of the bond which would otherwise be required by this section and that this amount is unavailable for withdrawal except upon order of the Department. Interest earned on the certificate accrues to the account of the applicant.

5. A deposit made pursuant to subsection 4 may be disbursed by the Director, for good cause shown and after notice and opportunity for hearing, in an amount determined by him to compensate a person injured by an action of the licensee, or released upon receipt of:

(a) A court order requiring the Director to release all or a specified portion of the deposit; or

(b) A statement signed by the person under whose name the deposit is made and acknowledged before any person authorized to take acknowledgments in this State, requesting the Director to release the deposit, or a specified portion thereof, and stating the purpose for which the release is requested.

6. When a deposit is made pursuant to subsection 4, liability under the deposit is in the amount prescribed by the Department. If the amount of the deposit is reduced or there is an outstanding judgment of a court for which the licensee is liable under the deposit, the license is automatically suspended. The license must be reinstated if the licensee:

(a) Files an additional bond pursuant to subsection 1;

(b) Restores the deposit with the Department to the original amount required under this section; or

(c) Satisfies the outstanding judgment for which he is liable under the deposit.

7. A deposit made pursuant to subsection 4 may be refunded:

(a) By order of the Director, 3 years after the date the licensee ceases to be licensed by the Department, if the Director is satisfied that there are no outstanding claims against the deposit; or

(b) By order of court, at any time within 3 years after the date the licensee ceases to be licensed by the Department, upon evidence



satisfactory to the court that there are no outstanding claims against the deposit.

8. Any money received by the Department pursuant to subsection 4 must be deposited with the State Treasurer for credit to the Motor Vehicle Fund.

Sec. 5. NRS 487.470 is hereby amended to read as follows:

487.470 1. ~~Only~~ *Except as otherwise provided in subsection 4, only* a licensed automobile wrecker, dealer of new or used motor vehicles or rebuilder *or a person who has been issued an identifying card described in section 2.3 of this act* may bid to purchase a vehicle from an operator of a salvage pool, and the operator may only sell a vehicle to such a person. An operator shall not accept a bid from:

(a) An automobile wrecker until:

(1) He presents the card issued by the Department pursuant to NRS 487.070 or other identifying card; or

(2) If he is licensed or otherwise authorized to operate as an automobile wrecker in another state or foreign country, he presents evidence of that licensure or authorization and has registered with the operator pursuant to subsection 2; ~~or~~

(b) A dealer of new or used motor vehicles or a rebuilder until:

(1) He presents the card issued by the Department pursuant to NRS 487.475 or other identifying card; or

(2) If he is licensed or otherwise authorized to operate as a dealer of new or used motor vehicles or as a rebuilder in another state or foreign country, he presents evidence of that licensure or authorization and has registered with the operator pursuant to subsection 2 ~~or~~; *or*

(c) A person who has been issued an identifying card described in section 2.3 of this act:

(1) For a nonrepairable vehicle; or

(2) For any other vehicle, until he presents the identifying card.

2. Any automobile wrecker, dealer of new or used motor vehicles or rebuilder who is licensed or otherwise authorized to operate in another state or foreign country shall register with each operator of a salvage pool with whom he bids to purchase vehicles, by filing with the operator copies of his license or other form of authorization from the other state or country, and his driver's license, business license, certificate evidencing the filing of a bond, resale certificate and proof of social security or tax identification number, if such documentation is required for licensure in the other state or country. Each operator of a salvage pool shall keep such



copies at his place of business and in a manner so that they are easily accessible and open to inspection by employees of the Department ~~[of Motor Vehicles]~~ and to officers of law enforcement agencies in this State.

3. Each person who has been issued an identifying card described in section 2.3 of this act shall register with each operator of a salvage pool with whom he bids to purchase vehicles by filing with the operator copies of his driver's license, business license, if applicable, and proof of social security or tax identification number. Each operator of a salvage pool shall keep such copies at his place of business and in a manner so that they are easily accessible and open to inspection by employees of the Department and to officers of law enforcement agencies in this State.

4. A person who has been issued an identifying card described in section 2.3 of this act shall not:

- (a) Purchase more than three vehicles in any calendar year from operators of salvage pools in this State;*
- (b) Purchase any such vehicle for resale;*
- (c) Bid on a nonrepairable vehicle ; or*
- (d) Assist, solicit or conspire with another person to commit any act prohibited by paragraph (a), (b) or (c).*

Sec. 6. NRS 487.480 is hereby amended to read as follows:

487.480 1. Before an operator of a salvage pool sells any vehicle subject to registration pursuant to the laws of this State, he must have in his possession the certificate of title for a vehicle obtained pursuant to subsection 3 of NRS 487.800 or the salvage title for that vehicle. The Department shall not issue a certificate of registration or certificate of title for a vehicle with the same identification number if the vehicle was manufactured in the 5 years preceding the date on which the salvage title was issued, unless the Department authorizes the restoration of the vehicle pursuant to subsection 2 of NRS 482.553.

2. Upon sale of the vehicle, the operator of the salvage pool shall provide a salvage title to the licensed automobile wrecker, dealer of new or used motor vehicles or rebuilder *or other person* who purchased the vehicle.

Sec. 7. NRS 487.490 is hereby amended to read as follows:

487.490 1. The Department may refuse to issue a license or may suspend, revoke or refuse to renew a license of an operator of a salvage pool upon determining that the operator:

- (a) Is not lawfully entitled to the license;
- (b) Has made, or knowingly or negligently permitted, any illegal use of that license;



- (c) Made a material misstatement in any application;
- (d) Willfully fails to comply with any provision of NRS 487.400 to 487.510, inclusive ~~H~~, *and sections 2.3, 2.5 and 2.7 of this act*;
- (e) Fails to discharge any final judgment entered against him when the judgment arises out of any misrepresentation regarding a vehicle;
- (f) Fails to maintain any license or bond required by a political subdivision of this State;
- (g) Has been convicted of a felony;
- (h) Has been convicted of a misdemeanor or gross misdemeanor for a violation of a provision of this chapter;
- (i) Fails or refuses to provide to the Department an authorization for the disclosure of financial records for the business as required pursuant to subsection 6; or
- (j) Displays evidence of unfitness for a license pursuant to NRS 487.165.

2. The applicant or licensee may, within 30 days after receipt of the notice of refusal to grant or renew or the suspension or revocation of a license, petition the Department in writing for a hearing.

3. Hearings under this section and appeals therefrom must be conducted in the manner prescribed in NRS 482.353 and 482.354.

4. If an application for a license as an operator of a salvage pool is denied, the applicant may not submit another application for at least 6 months after the date of the denial.

5. The Department may refuse to review a subsequent application for licensing submitted by any person who violates any provision of NRS 487.400 to 487.510, inclusive ~~H~~, *and sections 2.3, 2.5 and 2.7 of this act*.

6. Upon the receipt of any report or complaint that an applicant or a licensee has engaged in financial misconduct or has failed to satisfy financial obligations related to the operation of a salvage pool, the Department may require the applicant or licensee to submit to the Department an authorization for the disclosure of financial records for the business as provided in NRS 239A.090. The Department may use any information obtained pursuant to such an authorization only to determine the suitability of the applicant or licensee for initial or continued licensure. Information obtained pursuant to such an authorization may be disclosed only to those employees of the Department who are authorized to issue a license to an applicant pursuant to NRS 487.400 to 487.510, inclusive, *and sections 2.3, 2.5 and 2.7 of this act* or to determine the suitability of an applicant or a licensee for such licensure.



7. For the purposes of this section, the failure to adhere to the directives of the Department advising the licensee of his noncompliance with any provision of NRS 487.400 to 487.510, inclusive, *and sections 2.3, 2.5 and 2.7 of this act* or regulations of the Department, within 10 days after the receipt of those directives, is prima facie evidence of willful failure to comply.

Sec. 8. NRS 487.497 is hereby amended to read as follows:

487.497 1. A person licensed to issue identifying cards shall maintain a record of all fees collected and identifying cards issued.

2. The record must contain:

(a) The name and signature of the licensed automobile wrecker, vehicle dealer or rebuilder *or other person* from whom fees were collected, the amount of fees collected and the number of identifying cards issued or renewed.

(b) ~~[The]~~ *For each identifying card issued to an automobile wrecker, vehicle dealer or rebuilder, the* business name, address and license number under which the automobile wrecker, vehicle dealer or rebuilder is licensed by the Department.

(c) A photograph of the natural person to whom the identifying card was issued.

3. The record must be open to inspection during regular business hours by any peace officer or investigator of the Department.

4. Upon request of the Department, a person licensed to issue identifying cards shall allow the Department, or a person designated by the Department, to conduct an audit of his records.

5. The records of the licensee must be maintained at the licensed location.

Sec. 9. NRS 487.500 is hereby amended to read as follows:

487.500 Every licensed operator of a salvage pool shall maintain a record of all vehicles he sells. The record must contain the name and address of the person from whom the vehicle was purchased or acquired and the date of the acquisition or purchase, the name and address of the automobile wrecker, dealer of new or used motor vehicles , ~~[or]~~ rebuilder *or other person* to whom the vehicle was sold and the date of the sale, the registration number last assigned to the vehicle and a brief description of the vehicle, including, insofar as the information exists with respect to a given vehicle, the make, type, serial number and motor number, or any other number of the vehicle. The record must be open to inspection during regular business hours by any peace officer or investigator of the Department.



Sec. 10. NRS 487.510 is hereby amended to read as follows:

487.510 Any person who violates any of the provisions of NRS 487.400 to 487.500, inclusive, *and sections 2.3, 2.5 and 2.7 of this act* is guilty of a misdemeanor.

Sec. 11. NRS 487.800 is hereby amended to read as follows:

487.800 1. When an insurance company acquires a motor vehicle as a result of a settlement in which the motor vehicle is determined to be a salvage vehicle, the owner of the motor vehicle who is relinquishing ownership of the motor vehicle shall endorse the certificate of title of the motor vehicle and forward the endorsed certificate of title to the insurance company within 30 days after accepting the settlement from the insurance company. The insurance company or its authorized agent shall forward the endorsed certificate of title, together with an application for a salvage title or nonrepairable vehicle certificate, to the state agency within ~~60~~ 180 days after receipt of the endorsed certificate of title.

2. If the owner of the motor vehicle who is relinquishing ownership does not provide the endorsed certificate of title to the insurance company within 30 days after accepting the settlement pursuant to subsection 1, the insurance company shall, within ~~60~~ 180 days after the expiration of that 30-day period, forward an application for a salvage title or nonrepairable vehicle certificate to the state agency. The state agency shall issue a salvage title or nonrepairable vehicle certificate to the insurance company for the vehicle upon receipt of:

(a) The application;

(b) A motor vehicle inspection certificate signed by a representative of the Department or, as one of the authorized agents of the Department, by a peace officer, dealer, rebuilder, automobile wrecker, operator of a salvage pool or garageman;

(c) Documentation that the insurance company has made at least two written attempts by certified mail, return receipt requested, or by use of a delivery service with a tracking system, to obtain the endorsed certificate of title; and

(d) Proof satisfactory to the state agency that the certificate of title was required to be surrendered to the insurance company as part of the settlement.

3. Except as otherwise provided in subsections 1 and 2, before any ownership interest in a salvage vehicle, except a nonrepairable vehicle, may be transferred, the owner or other person to whom the motor vehicle is titled:

(a) If the person has possession of the certificate of title to the vehicle, shall forward the endorsed certificate of title, together with



an application for salvage title to the state agency within 30 days after the vehicle becomes a salvage vehicle.

(b) If the person does not have possession of the certificate of title to the vehicle and the certificate of title is held by a lienholder, shall notify the lienholder within 10 days after the vehicle becomes a salvage vehicle that the vehicle has become a salvage vehicle. The lienholder shall, within 30 days after receiving such notice, forward the certificate of title, together with an application for salvage title, to the state agency.

4. An insurance company or its authorized agent may sell a vehicle for which a total loss settlement has been made with the properly endorsed certificate of title if the total loss settlement resulted from the theft of the vehicle and the vehicle, when recovered, was not a salvage vehicle.

5. An owner who has determined that a vehicle is a total loss salvage vehicle may sell the vehicle with the properly endorsed certificate of title obtained pursuant to this section, without making any repairs to the vehicle, to a salvage pool, automobile auction, rebuilder, automobile wrecker or a new or used motor vehicle dealer.

6. Except with respect to a nonrepairable vehicle, if a salvage vehicle is rebuilt and restored to operation, the vehicle may not be licensed for operation, displayed or offered for sale, or the ownership thereof transferred, until there is submitted to the state agency with the prescribed salvage title, an appropriate application, other documents, including, without limitation, an affidavit from the state agency attesting to the inspection and verification of the vehicle identification number and the identification numbers, if any, for parts used to repair the motor vehicle and fees required, together with a certificate of inspection completed pursuant to NRS 487.860.

7. Except with respect to a nonrepairable vehicle, if a total loss insurance settlement between an insurance company and any person results in the retention of the salvage vehicle by that person, before the execution of the total loss settlement, the insurance company or its authorized agent shall:

(a) Obtain, upon an application for salvage title, the signature of the person who is retaining the salvage vehicle;

(b) Append to the application for salvage title the certificate of title to the motor vehicle or an affidavit stating that the original certificate of title has been lost; and

(c) Apply to the state agency for a salvage title on behalf of the person who is retaining the salvage vehicle.



8. If the state agency determines that a salvage vehicle retained pursuant to subsection 6 is titled in another state or territory of the United States, the state agency shall notify the appropriate authority of that state or territory that the owner has retained the salvage vehicle.

9. A person who retains a salvage vehicle pursuant to subsection 7 may not transfer any ownership interest in the vehicle unless he has received a salvage title.

Sec. 12. 1. This section and section 11 of this act become effective upon passage and approval.

2. Sections 1 to 10, inclusive, of this act become effective:

(a) Upon passage and approval for the purpose of adopting regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

(b) On January 1, 2010, for all other purposes.

