

# SENATE BILL REPORT

## SB 5194

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As Reported By Senate Committee On:  
Transportation, February 27, 1997

**Title:** An act relating to vehicles that have been rebuilt from salvage.

**Brief Description:** Inspecting rebuilt salvage vehicles.

**Sponsors:** Senators Long, Haugen and Wood.

**Brief History:**

**Committee Activity:** Transportation: 2/4/97, 2/27/97 [DPS, DNP].

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### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** That Substitute Senate Bill No. 5194 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prince, Chair; Wood, Vice Chair; Haugen, Goings, Heavey, Jacobsen, Patterson, Prentice and Rasmussen.

**Minority Report:** Do not pass.

Signed by Senators Benton, Vice Chair; Horn, Morton and Sellar.

**Staff:** Roger Horn (786-7839)

**Background:** Insurers and self-insured vehicle owners are required to submit to the Department of Licensing the title of vehicles that have been declared a total loss. Some of these vehicles are subsequently rebuilt and retitled.

Before being retitled, a rebuilt vehicle must undergo a vehicle identification number (VIN) inspection by the State Patrol. The fee for the inspection is \$20. For rebuilt vehicles under six years of age, the State Patrol, as part of the inspection, is required to affix or inscribe a marking on the driver's side door pillar indicating that the vehicle has been rebuilt. In 1996, the State Patrol performed over 35,000 VIN inspections on rebuilt vehicles.

If a totaled vehicle is subsequently rebuilt and the vehicle is under six years of age, the title issued for the vehicle must be branded as "rebuilt." Registration certificates are likewise branded.

A 1995 enactment required the State Patrol to convene a study group to examine the feasibility of implementing safety inspections for rebuilt vehicles. The Department of Licensing, Washington Traffic Safety Commission, and representatives of the insurance, autobody, salvage pool, auto wrecking, and auto dealer industries participated in the study. The report was submitted prior to the 1996 legislative session and recommended the implementation of a structural integrity inspection (SII) program conducted by private industry.

**Summary of Substitute Bill:** Beginning July 1, 1998, a rebuilt total loss- vehicle under six years of age or having a wholesale value of more than \$7,500 must undergo a structural integrity inspection in order to receive a title or registration certificate. The SII program is administered by the State Patrol. Inspections are designed to ensure that the frame and other components integral to the structure of the vehicle have been repaired in a manner that meets automotive industry standards and are conducted only by privately-owned autobody repair shops. The inspections do not ensure the overall safety of the vehicle.

Inspections are not required for vehicles damaged by floods or recovered stolen vehicles that have not sustained significant damage.

Autobody shops performing the inspections must be properly licensed, bonded, and insured; and have the facilities, equipment, and personnel to perform the inspections. Technicians performing the inspections must have five years experience, automotive service excellence (ASE) certification, and completed a series of collision repair classes as determined by the State Patrol. The State Patrol determines the inspection fees which are retained by the autobody shop performing the work. An additional fee of \$5 is paid when the rebuilt vehicle undergoes its VIN inspection to cover the administrative costs of the SII program.

The State Patrol or the Department of Licensing may require a person requesting a structural integrity inspection to submit photos depicting the original damage to the vehicle.

By January 1, 1998, the State Patrol must submit to the Legislative Transportation Committee and the Office of Financial Management a progress report on the implementation of the SII program.

**Substitute Bill Compared to Original Bill:** Under the original bill, the structural integrity inspections are not required for vehicles six or more years of age regardless of the vehicle's value. The original bill includes a provision allowing the State Patrol or the Department of Licensing to require insurers and self-insurers to submit a form showing the general areas of damage to a totaled vehicle, along with the vehicle title, when a vehicle is declared a total loss.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Requiring the inspection of rebuilt salvage vehicles will protect the public from purchasing unsafe vehicles. There are many unscrupulous rebuilders who are selling vehicles that have been improperly repaired. Having an improperly repaired frame compromises the ability of a vehicle to withstand the impacts of a collision.

**Testimony Against:** A structural integrity inspection would not ensure that a rebuilt vehicle is safe since nonstructural components, such as brakes, lights, and airbags, would not be inspected. Protections are already afforded to consumers through the branding of titles and the placement of markings on doorposts of rebuilt vehicles. Unscrupulous rebuilders can get

around the inspections by titling rebuilt vehicles in states with no branding requirements and then retitling the vehicle in Washington.

**Testified:** Senator Long, prime sponsor; Mike West, Southtown Auto Rebuild (pro); Ed Dollar, Autobody Craftsman Assn. (pro); Jim MacFarlane, Independent Glass Prof. Assn. (pro); Dave Ducharme, Insurance Auto Auctions (con); Jean Leonard, WA State Insurers (concerns); Renetta Wilson, State Farm Insurance Companies (concerns); Nancee Wildemuth, Safeco (concerns).