

HOUSE BILL REPORT

HB 1157

As Reported by House Committee On:
Transportation

Title: An act relating to identifying rebuilt vehicles.

Brief Description: Identifying rebuilt vehicles.

Sponsors: Representatives Murray, Hankins, Lovick, Fisher and Keiser.

Brief History:

Committee Activity:

Transportation: 2/13/01, 3/6/01 [DPS].

Brief Summary of Substitute Bill

- Requires the Department of Licensing to work with industry stakeholders in conducting a study to determine the feasibility and impact of extending the definition of a salvage vehicle– to vehicles under 25 years old.
- The study is to also assess the feasibility of disclosing on a vehicle's title and registration, that a vehicle has been rebuilt after becoming a salvage vehicle.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 25 members: Representatives Fisher, Democratic Co-Chair; Mitchell, Republican Co-Chair; Cooper, Democratic Vice Chair; Hankins, Republican Vice Chair; Lovick, Democratic Vice Chair; Anderson, Armstrong, Edmonds, Haigh, Hatfield, Hurst, Jackley, Jarrett, Marine, Morell, Murray, Ogden, Rockefeller, Romero, Schindler, Simpson, Skinner, Sump, Wood and Woods.

Minority Report: Without recommendation. Signed by 3 members: Representatives Ericksen, Republican Vice Chair; Ahern and Reardon.

Staff: Reema Griffith (786-7301).

Background:

Under current law, when a vehicle is destructed beyond repair or declared a total loss, the owner must surrender the title and registration to the Department of Licensing within 15 days of the accident. Once a vehicle's title is surrendered to the department on the grounds of being a total loss, the vehicle is considered a salvage vehicle.– If the salvage vehicle is rebuilt, current law requires that the department issue a special title and registration with the words Wa. Rebuilt– displayed across the front of the document. Also, upon inspection of the rebuilt vehicle, the State Patrol must affix or inscribe a marking on the inside of the driver's side door, indicating the vehicle was previously destroyed or declared a total loss.

Although current law has established ways to keep track of salvage vehicles, the definition of a salvage vehicle– limits the effectiveness of those laws. Current language specifically excludes vehicles that are six years old or older. Therefore, if a seven year old vehicle is damaged beyond repair, it is not classified as a salvage vehicle– which then removes the requirement for the word rebuilt– to be stated on the vehicle's title and registration or to be inscribed on the vehicle itself. Thus, subsequent owners of that seven year old vehicle would not be aware that the vehicle had been severely damaged and subsequently rebuilt.

Summary of Substitute Bill:

Requires the Department of Licensing to work with industry stakeholders in conducting a study to determine the feasibility and impact of extending the definition of a salvage vehicle– to vehicles under 25 years old, as well as looking at the feasibility of disclosing that a vehicle has been rebuilt on the vehicle's title and registration.

Industry stakeholders to be involved in the study must, at a minimum, include representatives from the vehicle wrecking industry, the salvage auction industry, the insurance industry, used car dealers, and the auto-body repair industry.

The department must submit a report to the Legislature by December 1, 2001, which must include recommendations on the required age a vehicle should be to be included in the definition of a salvage vehicle.

Substitute Bill Compared to Original Bill:

Takes the provisions established in the original bill and, rather than making them a requirement, directs the Department of Licensing to study the feasibility and impact of implementing those provisions, the findings of which will be reported back to the Legislature by December 1, 2001.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: This bill would provide increased consumer protection for car buyers, who think they are buying a safe vehicle but unknowingly end up buying a vehicle which may severely compromise their safety.

Testimony Against: It is not right to brand a vehicle as rebuilt– just because an insurance company decides it is a total loss– economically. This branding would, in many cases, artificially devalue a vehicle.

Testified: (Support) Eric Bernard, Bernard Imports; Gary Smith, Independent Business Association; Lee Felton, Auto Recyclers of Washington; and Jim Booker, Department of Licensing.

(Opposed) Dave Ducharme, Insurance Auto Auctions; and Mel Sorenson, National Association of Independent Insurers.