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**AB-2330 Total loss salvage and nonrepairable vehicles.** (2021-2022)

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**Assembly Bill No. 2330**

**CHAPTER 125**

An act to amend Sections 11515 and 11515.2 of the Vehicle Code, relating to vehicles.

[ Approved by Governor July 19, 2022. Filed with Secretary of State July 19, 2022. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 2330, Bigelow. Total loss salvage and nonrepairable vehicles.

Existing law requires, if the owner of a total loss salvage or nonrepairable vehicle retains possession of the vehicle, the insurance company to notify the Department of Motor Vehicles of the retention, as specified. Existing law requires the owner, within 10 days from the settlement of loss, to forward to the department the properly endorsed certificate of ownership or other evidence of ownership acceptable to the department, the license plates, and a specified fee. Upon receipt of these items, existing law requires the department to issue a salvage or nonrepairable vehicle certificate for the vehicle. Existing law authorizes an insurance company to request the department to issue a salvage or nonrepairable vehicle certificate for a total loss salvage or nonrepairable vehicle, respectively, if the insurance company is unable to obtain a properly endorsed certificate of ownership or acceptable evidence of title, as specified, within 30 days following an oral or written acceptance by the owner of an offer in settlement of a total loss. Existing law requires the insurance company to make this request on a department-provided form and the request to include the license plates and fee as well as documentation that the requester has made at least 2 attempts to obtain the certificate of ownership or acceptable evidence of title.

This bill would reduce the number of days from the owner's written or oral acceptance of the offer to 15 before the insurance company can request the department to issue a salvage or nonrepairable vehicle certificate. With regard to the department-provided form, the bill would only require an attestation that the requester has attempted to obtain the certificate of ownership, as specified. The bill would also require the insurance company's attempt to obtain the certificate of ownership or other acceptable evidence of title to be provided concurrently with the payment of the claim or by mail, as specified, other commercially available delivery service showing proof of delivery, or electronic mail.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 1.** Section 11515 of the Vehicle Code is amended to read:

**11515.** (a) (1) Whenever an insurance company makes a total loss settlement on a total loss salvage vehicle, the insurance company, an occupational licensee of the department authorized by the insurance company, or a salvage pool authorized by the insurance company, within 10 days from the settlement of the loss, shall forward the properly endorsed certificate of ownership or other evidence of ownership acceptable to the department, the license plates, and a fee in the amount of fifteen dollars (\$15), to

the department. An occupational licensee of the department may submit a certificate of license plate destruction in lieu of the actual license plate.

(2) If an insurance company, an occupational licensee of the department authorized by the insurance company, or a salvage pool authorized by the insurance company is unable to obtain the properly endorsed certificate of ownership or other evidence of ownership acceptable to the department within 15 days following oral or written acceptance by the owner of an offer of an amount in settlement of a total loss, that insurance company, licensee, or salvage pool, on a form provided by the department and signed under penalty of perjury, may request the department to issue a salvage certificate for the vehicle. The request shall attest that the requester has attempted to obtain the certificate of ownership or other acceptable evidence of title, and shall include the license plates and fee described in paragraph (1). The attempt to obtain the certificate of ownership or other acceptable evidence of title shall be provided concurrently with the payment of the claim or by first-class mail, certificate of mailing, certified mail, other commercially available delivery service showing proof of delivery, or electronic mail.

(3) The department, upon receipt of the certificate of ownership, other evidence of title, or properly executed request described in paragraph (2), the license plates, and the fee, shall issue a salvage certificate for the vehicle.

(b) Whenever the owner of a total loss salvage vehicle retains possession of the vehicle, the insurance company shall notify the department of the retention on a form prescribed by the department. The insurance company shall also notify the insured or owner of the insured's or owner's responsibility to comply with this subdivision. The owner shall, within 10 days from the settlement of the loss, forward the properly endorsed certificate of ownership or other evidence of ownership acceptable to the department, the license plates, and a fee in the amount of fifteen dollars (\$15) to the department. The department, upon receipt of the certificate of ownership or other evidence of title, the license plates, and the fee, shall issue a salvage certificate for the vehicle.

(c) Whenever a total loss salvage vehicle is not the subject of an insurance settlement, the owner shall, within 10 days from the loss, forward the properly endorsed certificate of ownership or other evidence of ownership acceptable to the department, the license plates, and a fee in the amount of fifteen dollars (\$15) to the department.

(d) Whenever a total loss salvage vehicle is not the subject of an insurance settlement, a self-insurer, as defined in Section 16052, shall, within 10 days from the loss, forward the properly endorsed certificate of ownership or other evidence of ownership acceptable to the department, the license plates, and a fee in the amount of fifteen dollars (\$15) to the department.

(e) Prior to the sale or disposal of a total loss salvage vehicle, the owner, owner's agent, or salvage pool, shall obtain a properly endorsed salvage certificate and deliver it to the purchaser within 10 days after payment in full for the salvage vehicle and shall also comply with Section 5900. The department shall accept the endorsed salvage certificate in lieu of the certificate of ownership or other evidence of ownership when accompanied by an application and other documents and fees, including, but not limited to, the fees required by Section 9265, as may be required by the department.

(f) This section does not apply to a vehicle that has been driven or taken without the consent of the owner thereof, until the vehicle has been recovered by the owner and only if the vehicle is a total loss salvage vehicle.

(g) A violation of subdivision (a), (b), (d), or (e) is a misdemeanor, pursuant to Section 40000.11. Notwithstanding Section 40000.11, a violation of subdivision (c) is an infraction, except that, if committed with the intent to defraud, a violation of subdivision (c) is a misdemeanor.

(h) (1) A salvage certificate issued pursuant to this section shall include a statement that the seller and subsequent sellers that transfer ownership of a total loss vehicle pursuant to a properly endorsed salvage certificate are required to disclose to the purchaser at, or prior to, the time of sale that the vehicle has been declared a total loss salvage vehicle.

(2) Effective on and after the department includes in the salvage certificate form the statement described in paragraph (1), a seller who fails to make the disclosure described in paragraph (1) shall be subject to a civil penalty of not more than five hundred dollars (\$500).

(3) Nothing in this subdivision affects any other civil remedy provided by law, including, but not limited to, punitive damages.

**SEC. 2.** Section 11515.2 of the Vehicle Code is amended to read:

**11515.2.** (a) (1) If an insurance company makes a total loss settlement on a nonrepairable vehicle and takes possession of that vehicle, either itself or through an agent, the insurance company, an occupational licensee of the department authorized by the insurance company, or a salvage pool authorized by the insurance company, shall, within 10 days after receipt of title by the insurer, free and clear of all liens, forward the properly endorsed certificate of ownership or other evidence of ownership acceptable to the department, the license plates, and a fee in the amount of fifteen dollars (\$15) to the department. An occupational licensee of the department may submit a certificate of license plate destruction in lieu of the actual license plate. The

department, upon receipt of the certificate of ownership or other evidence of title, the license plates, and the fee, shall issue a nonrepairable vehicle certificate for the vehicle.

(2) If an insurance company, an occupational licensee of the department authorized by the insurance company, or a salvage pool authorized by the insurance company is unable to obtain the properly endorsed certificate of ownership or other evidence of ownership acceptable to the department within 15 days following oral or written acceptance by the owner of an offer of an amount in settlement of a total loss, that insurance company, licensee, or salvage pool, on a form provided by the department and signed under penalty of perjury, may request the department to issue a nonrepairable vehicle certificate for the vehicle. The request shall attest that the requester has attempted to obtain the certificate of ownership or other acceptable evidence of title, and shall include the license plates and fee described in paragraph (1). The attempt to obtain the certificate of ownership or other acceptable evidence of title shall be submitted concurrently with the payment of the claim or by first-class mail, certificate of mailing, certified mail, other commercially available delivery service showing proof of delivery, or electronic mail.

(3) The department, upon receipt of the certificate of ownership, other evidence of title, or properly executed request described in paragraph (2), the license plates, and the fee, shall issue a nonrepairable vehicle certificate for the vehicle.

(b) If the owner of a nonrepairable vehicle retains possession of the vehicle, the insurance company shall notify the department of the retention on a form prescribed by the department. The insurance company shall also notify the insured or owner of the insured's or owner's responsibility to comply with this subdivision. The owner shall, within 10 days from the settlement of the loss, forward the properly endorsed certificate of ownership or other evidence of ownership acceptable to the department, the license plates, and a fee in the amount of fifteen dollars (\$15) to the department. The department, upon receipt of the certificate of ownership or other evidence of title, the license plates, and the fee, shall issue a nonrepairable vehicle certificate for the vehicle.

(c) If a nonrepairable vehicle is not the subject of an insurance settlement, the owner shall, within 10 days from the loss, forward the properly endorsed certificate of ownership or other evidence of ownership acceptable to the department, the license plates, and a fee in the amount of fifteen dollars (\$15) to the department.

(d) If a nonrepairable vehicle is not the subject of an insurance settlement, a self-insurer, as defined in Section 16052, shall, within 10 days of the loss, forward the properly endorsed certificate of ownership or other evidence of ownership acceptable to the department, the license plates, and a fee in the amount of fifteen dollars (\$15) to the department.

(e) Prior to sale or disposal of a nonrepairable vehicle, the owner, owner's agent, or salvage pool shall obtain a properly endorsed nonrepairable vehicle certificate and deliver it to the purchaser within 10 days after payment in full for the nonrepairable vehicle and shall also comply with Section 5900. The department shall accept the endorsed nonrepairable vehicle certificate in lieu of the certificate of ownership or other evidence of ownership when accompanied by an application and other documents and fees, including, but not limited to, the fees required by Section 9265, as may be required by the department.

(f) This section does not apply to a vehicle that has been driven or taken without the consent of the owner thereof, until the vehicle has been recovered by the owner and only if the vehicle is a nonrepairable vehicle.

(g) A nonrepairable vehicle certificate shall be conspicuously labeled with the words "NONREPAIRABLE VEHICLE" across the front of the certificate.

(h) A violation of subdivision (a), (b), (d), or (e) is a misdemeanor, pursuant to Section 40000.11. Notwithstanding Section 40000.11, a violation of subdivision (c) is an infraction, except that, if committed with intent to defraud, a violation of subdivision (c) is a misdemeanor.