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**AB-1901 Vehicles: total loss claim: salvage certificate or nonrepairable vehicle certificate.** (2023-2024)

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**Assembly Bill No. 1901**

**CHAPTER 364**

An act to amend Section 11540 of, and to add Section 11515.3 to, the Vehicle Code, relating to vehicles.

[ Approved by Governor September 22, 2024. Filed with Secretary of State September 22, 2024. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 1901, Chen. Vehicles: total loss claim: salvage certificate or nonrepairable vehicle certificate.

Existing law requires, if an insurance company makes a total loss settlement on a total loss salvage vehicle or a nonrepairable vehicle, the insurance company, an occupational licensee of the Department of Motor Vehicles (DMV) authorized by the insurance company, or a salvage pool authorized by the insurance company to, within 10 days from the settlement of the loss or after receipt of title, forward the properly endorsed certificate of ownership or other evidence of ownership acceptable to the DMV, the license plates, and a fee, to the DMV, except as specified, and requires the DMV, upon receipt of those required items, to issue a salvage certificate or a nonrepairable vehicle certificate for the vehicle. A violation of the Vehicle Code is an infraction.

This bill would, if an insurance company requests a salvage pool or an occupational licensee to take possession of a vehicle that is the subject of a total loss claim, and, subsequently, the insurance company does not take ownership of the vehicle, authorize the insurance company to direct the salvage pool or occupational licensee to release the vehicle to the registered and legal owner or lienholder of the vehicle after notice from the insurance company authorizing the release. The bill would require the salvage pool or occupational licensee to send 2 notices to the registered and legal owner and any lienholder of the vehicle informing them that they have 30 days from the date of mailing of the first notice and 14 days from the date of mailing of the 2nd notice, and that they have the right to contact the salvage pool or occupational licensee of the department regarding their intent to pick up the vehicle in order to receive an additional 30 days from the date of contact, to pick up the vehicle from the salvage pool or occupational licensee before the vehicle is deemed abandoned. If the registered and legal owner or any lienholder of the vehicle does not pick up the vehicle in those timelines, the bill would require the vehicle to be deemed abandoned and would require the vehicle's certificate of title to be deemed to be assigned to the salvage pool or occupational licensee of the department. The bill would authorize the salvage pool or occupational licensee to request on a form signed under penalty of perjury that the DMV issue a salvage certificate or nonrepairable vehicle certificate for the vehicle, as specified, and would require the DMV to issue the certificate.

By creating a new infraction and expanding the scope of the crime of perjury, this bill would impose a state-mandated local program.

Existing law requires, whenever a salvage pool acquires a total loss salvage vehicle, a nonrepairable vehicle, or a recovered stolen vehicle and the vehicle license plates have not been removed pursuant to specified statutes, the salvage pool, prior to disposing of that vehicle, to remove and submit the license plates to the department.

This bill would also require a salvage pool to remove and submit a vehicle's license plates to the department for a vehicle the salvage pool acquires through the provisions above and the license plates have not been removed.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

### **SECTION 1.** Section 11515.3 is added to the Vehicle Code, to read:

**11515.3.** (a) If an insurance company requests a salvage pool authorized by the insurance company or an occupational licensee of the department authorized by the insurance company to take possession of a vehicle that is the subject of a total loss claim, and, subsequently, the insurance company does not take ownership of the vehicle, the insurance company may direct the salvage pool or occupational licensee of the department to release the vehicle to the registered and legal owner or lienholder of the vehicle. The insurance company shall provide the salvage pool or occupational licensee of the department with notice authorizing the release of the vehicle to the vehicle's registered and legal owner or lienholder. This notice may be sent by mail, electronic mail, or a proprietary electronic system accessed by both the insurance company and the salvage pool or occupational licensee of the department.

(b) Upon receiving notice from an insurance company pursuant to subdivision (a), the salvage pool or occupational licensee of the department shall send two notices to the registered and legal owner and any lienholder of the vehicle informing the registered and legal owner and lienholder that the vehicle is available to pick up and will be sold or otherwise disposed of if no response is received. The notice shall inform the owner and any lienholder that the registered and legal owner and lienholder has 30 days from the date of mailing of the first notice and 14 days from the date of mailing of the second notice to pick up the vehicle from the salvage pool or occupational licensee of the department before the vehicle is deemed abandoned. The notice shall also inform the registered and legal owner and any lienholder of their right to contact the salvage pool or occupational licensee of the department regarding their intent to pick up the vehicle in order to receive an additional 30 days from the date of contact to pick up the vehicle before the vehicle is deemed abandoned. Notice under this subdivision shall be sent by certified mail or by another commercially available delivery service providing proof of delivery to the address on record with the department and any other known address, or for vehicles last registered in another jurisdiction, to the address on record with that jurisdiction and any other known address.

(c) If the registered and legal owner or any lienholder contacts the salvage pool or occupational licensee of the department regarding their intent to pick up the vehicle within the time periods described in subdivision (b), the salvage pool or occupational licensee shall give the registered and legal owner or any lienholder an additional 30 days from the date of contact to pick up the vehicle before the vehicle is deemed abandoned.

(d) If the registered and legal owner or any lienholder of the vehicle does not pick up the vehicle within 30 days after the date of mailing of the first notice, and within 14 days after the date of mailing of the second notice, as described in subdivision (b), or within 30 days from the date of contact with the salvage pool or occupational licensee of the department, as described in subdivision (c), the vehicle shall be deemed abandoned, the vehicle's certificate of title is deemed to be assigned to the salvage pool or occupational licensee of the department.

(e) The salvage pool or occupational licensee of the department, without surrendering the certificate of title, may request, on a form provided by the department and signed under penalty of perjury, that the department issue a salvage certificate or nonrepairable vehicle certificate that is free and clear of all liens for the vehicle. The request shall be accompanied by an attestation and certification that the insurance company did not take ownership of the vehicle and directed the release of the vehicle to the registered and legal owner or lienholder, an attestation and certification of delivery of the notices required pursuant to subdivision (b) or that the notices were returned undeliverable after the notices were sent to the registered and legal owner and any lienholder, as required pursuant to subdivision (b), the license plates for the vehicle, and the fee required by subdivision (c) of Section 11515 for a salvage vehicle or the fee required by subdivision (c) of Section 11515.2 for a nonrepairable vehicle. Notwithstanding any outstanding liens against the vehicle, the department shall issue a salvage certificate or nonrepairable vehicle certificate that is free and clear of all liens for the vehicle to the salvage pool or occupational licensee of the department in possession of the vehicle. An occupational licensee of the department may submit a certificate of license plate destruction in lieu of the actual license plate.

(f) The salvage pool or occupational licensee of the department shall maintain an accurate record of every vehicle it acquires and disposes of pursuant to this section. The records shall be maintained for two years and be open for inspection by any peace

officer during the regular business hours of that salvage pool or occupational licensee of the department. The records shall include, but not be limited to, copies of the notices sent to the registered and legal owner and any lienholder of the vehicle and proof of delivery of the notices as specified in subdivision (b).

**SEC. 2.** Section 11540 of the Vehicle Code is amended to read:

**11540.** (a) A salvage pool shall maintain an accurate record of every vehicle it acquires and every vehicle it disposes of, and shall notify the department of the disposition of any vehicle pursuant to Section 5900.

(b) Whenever a salvage pool acquires a total loss salvage vehicle, a nonrepairable vehicle, or a recovered stolen vehicle and the license plates on the vehicle have not been removed pursuant to subdivision (a) of Section 11515, subdivision (a) of Section 11515.2, subdivision (e) of Section 11515.3, or any other provision of law, the salvage pool shall, prior to disposing of that vehicle, remove and submit the license plates to the department. The salvage pool shall maintain an accurate record of every license plate it acquires and disposes of, which records shall be maintained for two years and be open for inspection by any peace officer during the regular business hours of that salvage pool.

**SEC. 3.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.