SPONSOR: Sen. Ennis & Rep. Carson
Sen. Bushweller; Reps. Brady, Briggs King, Paradee

DELAWARE STATE SENATE
149th GENERAL ASSEMBLY

SENATE BILL NO. 174
AS AMENDED BY
SENATE AMENDMENT NO. 1
AND
SENATE AMENDMENT NO. 2

AN ACT TO AMEND TITLE 21 OF THE DELAWARE CODE RELATING TO TRANSFER OF TITLE FOR AUTO SALVAGE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend § 2512, Title 21 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2512. Transfer for salvage.

(a) ~~Whenever any~~ Except as provided under subsection (g) of this section, when a registered or unregistered motor vehicle, for which a title has been issued by the Department, is transferred as salvage as a result of a total loss insurance settlement, the insurance company or its authorized agent shall send the certificate of title of the vehicle to the Department within 30 days from the date of settlement. Upon receipt of the certificate of title and appropriate fee, the Department shall issue a salvage certificate. Such salvage certificate ~~shall be~~ is deemed to meet all State proof of ownership.

(d) The Department shall issue to the seller a receipt in the name of the seller, ~~agent~~ agent, or owner for the salvage certificate. The seller or vehicle owner or agent shall keep such records and receipt for a period of 3 years from the date of sale and shall make such records and receipts available for inspection and examination by any police officer during the regular working hours of such business, ~~seller~~ seller, or agent.

(e) ~~Any~~ A person who fails, ~~neglects~~ neglects, or refuses to maintain the records and information required by this section, or who ~~shall refuse~~ refuses to permit the examination of the records or information by persons permitted by this section to do so, ~~shall be~~ is guilty of a class B misdemeanor as ~~the same is~~ defined in Chapter 42 of Title 11, and ~~shall be~~ is subject to the penalties proscribed therein.

(f) The record keeping requirements outlined in this section ~~shall be~~ is applicable to scrap processors, salvage dealers, junk ~~dealers~~ dealers, and insurance companies or their authorized agents. The record keeping requirement and penalties for failure to maintain such records ~~shall~~ does not apply to individual owners who choose to retain ownership of their total loss vehicle as owner retained salvage.

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(g)(1) An insurance company that does not receive, within 30 days from the date of the total loss insurance settlement, the properly endorsed certificate of title for a motor vehicle acquired as salvage may apply to the Department for a salvage certificate in the name of the insurance company, without surrendering the certificate of title for the vehicle.

(2) Regardless of the existence of a lien against the vehicle, the Department shall issue a salvage certificate in the name of the insurance company, free and clear of all liens, if the application is accompanied by all of the following:

a. Evidence of payment of the total loss claim.

b. An affidavit from the insurance company or its authorized agent stating that it has made at least 2 written requests for the properly endorsed certificate of title that were addressed to the vehicle owner of record and any known lienholders and sent by certified mail or commercial courier whose regular business is delivery service and that provides proof of delivery.

(h)(1) A licensed auto auction may apply for a salvage certificate in the name of the auto auction without surrendering the certificate of title if all of the following exist:

a. The auto auction took possession of a motor vehicle at the request of an insurance company.

b. The motor vehicle is the subject of an insurance claim.

c. There is no total loss insurance settlement resulting in transfer of ownership of the motor vehicle to the insurance company.

d. The motor vehicle has been abandoned at the facility of the auto auction for more than 30 days.

(2) Regardless of the existence of a lien against the vehicle, the Department shall issue a salvage certificate in the name of the auto auction, free and clear of all liens, if the application is accompanied by evidence that the auto auction made at least 2 written attempts to have the vehicle removed from the facility that were addressed to the vehicle owner of record and any known lienholders and sent by certified mail or commercial courier whose regular business is delivery service and that provides proof of delivery.

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