GENERAL ASSEMBLY
COMMONWEALTH OF KENTUCKY

2015 REGULAR SESSION

HOUSE BILL NO. 179

FRIDAY, FEBRUARY 27, 2015

The following bill was reported to the Senate from the House and ordered to be printed.

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DATE March 30, 2015
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ALISON LUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY K. Allen

1 AN ACT relating to the sale of motor vehicles.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 190.080 is amended to read as follows:

4 (1) As used in this section, "previous consumer-owner" shall mean the last owner of the
5 vehicle who could reasonably be expected to have operated the used car for
6 personal, family, household, or business purposes, but shall not mean an owner who
7 possessed the vehicle primarily for resale purposes.

8 (2) It shall be unlawful for any motor vehicle dealer or motor vehicle salesperson to
9 refuse to furnish, upon request of a prospective purchaser, the name, address, and
10 telephone number, if known or available, of the previous consumer-owner of any
11 used car offered for sale.

12 (3) ~~[It shall be unlawful for any motor vehicle dealer or motor vehicle salesperson to~~
13 ~~sell or offer to sell to a consumer a used car which does not have affixed to its~~
14 ~~windshield, when the car is first offered for sale, in a conspicuous manner in at least~~
15 ~~ten-point, boldface type, the following notice: "NOTICE: KENTUCKY LAW~~
16 ~~REQUIRES THAT, IF REQUESTED, WE SHALL FURNISH YOU WITH THE~~
17 ~~NAME, ADDRESS, AND TELEPHONE NUMBER, IF AVAILABLE, OF THE~~
18 ~~PREVIOUS CONSUMER-OWNER OF THIS VEHICLE. (KRS 190.080)".~~

19 ~~(4)~~]It shall be unlawful for any person to transfer a motor vehicle in order to avoid
20 compliance with this section.

21 ➔Section 2. KRS 186A.530 is amended to read as follows:

22 (1) The owner of a motor vehicle that meets the definition of a salvage vehicle as set
23 forth in KRS 186A.520(1) and has been issued a salvage certificate of title in
24 Kentucky, or the equivalent thereof by another licensing jurisdiction, and has been
25 rebuilt, may make application for a new certificate of title pursuant to KRS 186.115.
26 The Transportation Cabinet may promulgate administrative regulations pursuant to
27 KRS Chapter 13A governing the form of application.

1 (2) Upon receipt of a salvage certificate of title issued pursuant to KRS 186A.520, or
2 similar title issued by another state if the title does not disqualify the vehicle from
3 being titled for use on the highway in that state, and proof of passing the inspection
4 required by KRS 186A.115, the cabinet shall issue a new certificate of title with the
5 words "rebuilt vehicle" printed on the face of the title. The brand shall be carried
6 forward and printed in the appropriate section on the face of all titles issued
7 thereafter for that motor vehicle.
8 (3) If ownership of a motor vehicle has been transferred to an insurance company
9 through payment of damages, the insurance company making the payment of
10 damages shall be deemed the owner of the vehicle.
11 (4) The owner of a water damaged vehicle shall make application to the cabinet for a
12 salvage certificate of title as provided for in KRS 186A.520. The owner of a vehicle
13 with a brand from another jurisdiction identifying the vehicle as water damaged or
14 other similar designation who is making application for a Kentucky title shall be
15 issued a title with the words "water damaged" printed on the face of the title.
16 (5) A Kentucky salvage certificate of title may be issued from an out-of-state junking
17 certificate or other ownership document bearing a designation of "junk,"
18 "unrebuildable," or other similar classification that disqualifies the vehicle from
19 being titled for use on the highway in that state with the following provisions:
20 (a) The out-of-state junking certificate of title or other ownership certificate shall
21 be an original, secure document.
22 (b) The applicant shall submit a minimum of two (2) photographs of the motor
23 vehicle showing the damage to the motor vehicle. The photographs shall be
24 included in the application for a salvage certificate of title.
25 (c) The applicant shall submit a minimum of two (2) estimates of damage
26 verifying that the condition of the vehicle which has been issued the junking
27 certificate constitutes less than seventy-five percent (75%) of the retail value

1 of the vehicle, as set forth in a current edition of the National Auto Dealers'
2 Association N.A.D.A. price guide.
3 (d) A salvage title issued under this subsection shall be branded "SALVAGE."
4 The Transportation Cabinet shall use a unique method of identification to
5 differentiate a salvage title issued under this subsection from other salvage
6 titles.
7 (6) (a) Upon receipt of a salvage certificate of title issued pursuant to subsection (5)
8 of this section, or an out-of-state junking certificate or other ownership
9 document bearing a designation of "junk," "unrebuildable," or other similar
10 classification that disqualifies the vehicle from being titled for use on the
11 highway in that state, and proof of passing the inspection required by KRS
12 186A.115, the cabinet shall issue a new certificate of title with the words
13 "REBUILT VEHICLE" printed on the face of the title. The Transportation
14 Cabinet shall use a unique method of identification to differentiate a rebuilt
15 brand issued under this paragraph from other rebuilt brands. The brand shall
16 be carried forward and printed in the appropriate section on the face of all
17 titles issued thereafter for that motor vehicle.
18 (b) A person who obtains a rebuilt title under this subsection shall permanently
19 affix a plate of metallic composition within the opening for the driver's side
20 door which states "REBUILT VEHICLE - May Not Be Eligible For Title In
21 All States."
22 (7) (a) When an insurance company makes a claim settlement on a vehicle that has
23 been stolen and recovered, if the vehicle meets the definition of a salvage
24 vehicle as set forth in KRS 186A.520, the company shall apply for a salvage
25 certificate of title as provided for in KRS 186A.520. Upon receipt of this
26 information, the cabinet shall issue the company a certificate of title to replace
27 a salvage certificate of title. The cabinet shall promulgate administrative

1 regulations pursuant to KRS Chapter 13A regarding the forms and any
2 additional information which insurance companies shall be required to obtain
3 and submit when seeking a certificate of title to replace a salvage certificate of
4 title.
5 (b) In claim settlements that do not involve transfer of the vehicle to the insurance
6 company, an insurer shall not render payment on a damage claim for a vehicle
7 whose damage meets or exceeds seventy-five percent (75%) of the value of
8 the vehicle, until the insurer has received proof that the owner has surrendered
9 the title or has applied for a salvage certificate of title as set forth in KRS
10 186A.520. The owner shall apply for a salvage certificate of title within three
11 (3) working days of the agreed settlement. This subsection shall not apply to
12 hail-damaged vehicles under KRS 186A.555.
13 (c) An insurance company shall not refuse coverage to, and shall not reclassify
14 coverage of, a vehicle that has been issued a rebuilt title pursuant to the
15 provisions of this section.
16 (8) A motor vehicle owner or a motor vehicle dealer licensed in this state who offers
17 for sale, trade, or transfer a motor vehicle which carries a title brand, as set forth in
18 subsection (2) or (6) of this section, shall disclose the nature of the brand to any
19 prospective buyer or transferee, prior to the sale, and according to the following:
20 (a) Dealer disclosure shall be located on ***a***[~~the previous consumer owner~~] sticker
21 ***placed on the vehicle***[~~provided for in KRS 190.080. The sticker notification~~
22 ~~shall appear in a color different from that of the previous consumer owner~~
23 ~~sticker and shall be set apart from other information required by KRS~~
24 ~~190.080~~]. The sticker wording shall be printed in at least ten (10) point, bold
25 face type, on a background of obviously different color, and shall include the
26 following: "THIS IS A REBUILT VEHICLE." This disclosure information
27 shall not appear on [~~previous consumer owner stickers for~~] vehicles that do

1 not have a branded title. Dealer disclosure shall also be located on a buyer's
2 notification form to be approved by the Transportation Cabinet. The form
3 shall inform the buyer that the vehicle is a rebuilt vehicle and may include any
4 other information the cabinet deems necessary.
5 (b) Nondealer disclosure shall be made in accordance with the procedures
6 provided for in KRS 186A.060. The Department of Vehicle Regulation shall
7 ensure that disclosure information appears near the beginning of the
8 application for title and informs the buyer that the vehicle is a rebuilt vehicle.
9 (9) Failure of a dealer to procure the buyer's acknowledgment signature on the buyer's
10 notification form or failure of any person other than a dealer to procure the buyer's
11 acknowledgment signature on the vehicle transaction record form shall render the
12 sale voidable at the election of the buyer. The election to render the sale voidable
13 shall be limited to forty-five (45) days after issuance of the title. This provision shall
14 not bar any other remedies otherwise available to the purchaser.
15 (10) The notification provisions of this section shall not apply to motor vehicles more
16 than ten (10) model years old.
17 (11) The Transportation Cabinet shall promulgate administrative regulations pursuant to
18 KRS Chapter 13A, regarding the administration of the title branding procedure. The
19 administrative regulations shall include the manner in which salvage titles and
20 rebuilt brands on vehicles previously declared unrebuildable by another state are
21 differentiated from other salvage titles and rebuilt brands. The administrative
22 regulations may include designation of additional brands which provide significant
23 information to the owner.

Speaker-House of Representatives

President of Senate

Attest: Chief Clerk of House of Representatives

Approved Governor

Date 3/30/15