

IC 9-22-3

Chapter 3. Salvage Motor Vehicles

IC 9-22-3-0.5

Applicability

Sec. 0.5. For purposes of this chapter, "motor vehicle" does not include:

- (1) an off-road vehicle; or
- (2) a golf cart.

As added by P.L.219-2005, SEC.12. Amended by P.L.150-2009, SEC.16.

IC 9-22-3-1

Application of chapter

Sec. 1. (a) Except as provided in subsection (b) and section 14 of this chapter, this chapter applies each year to a motor vehicle, semitrailer, or recreational vehicle manufactured within the last seven (7) model years, including the current model year. The bureau shall establish guidelines for determining the applicability of the model year effective dates for each year.

(b) The bureau may extend the model years to be covered each year by this chapter up to a maximum of fifteen (15) model years, which includes the current model year, after doing the following:

- (1) Conducting a public hearing.
- (2) Giving reasonable notice to known businesses affected by this chapter.

As added by P.L.2-1991, SEC.10. Amended by P.L.59-1998, SEC.2.

IC 9-22-3-2

Fair market value defined

Sec. 2. As used in this chapter, "fair market value" means:

- (1) the average trade-in value found in the National Automobile Dealers Association (NADA) Official Used Car Guide, vehicle valuations determined by CCC Information Services, Inc. (CCC), or valuations determined by such other authorities as are approved by the bureau; or
- (2) the fair market value determined by the bureau under IC 9-22-3-3.

As added by P.L.2-1991, SEC.10.

IC 9-22-3-2.5

Flood damaged vehicle defined

Sec. 2.5. (a) As used in this chapter, "flood damaged vehicle" means a passenger motor vehicle that satisfies either of the following:

- (1) The vehicle has been acquired by an insurance company as part of a damage settlement due to water damage.
- (2) The vehicle has been submerged in water to the point that rising water has reached over the door sill, has entered the passenger or trunk compartment, and has exposed any

electrical, computerized, or mechanical component to water.

(b) The term does not include a passenger motor vehicle that an inspection conducted by an insurance adjuster or estimator, a motor vehicle repairer, or a motor vehicle dealer determines:

(1) has no electrical, computerized, or mechanical components that were damaged by water; or

(2) has one (1) or more electrical, computerized, or mechanical components that were damaged by water and all such damaged components have been repaired or replaced.

As added by P.L.59-1998, SEC.3. Amended by P.L.258-1999, SEC.1.

IC 9-22-3-3

Necessity of certificate of salvage title; bureau determination of fair market value; required application for certificate of salvage title by insurance company or owner

Sec. 3. (a) A certificate of salvage title is required for a motor vehicle, motorcycle, semitrailer, or recreational vehicle that meets any of the following criteria:

(1) An insurance company has determined that it is economically impractical to repair the wrecked or damaged motor vehicle, motorcycle, semitrailer, or recreational vehicle and has made an agreed settlement with the insured or claimant.

(2) If the owner of the vehicle is a business that insures its own vehicles, the cost of repairing the wrecked or damaged motor vehicle, motorcycle, semitrailer, or recreational vehicle exceeds seventy percent (70%) of the fair market value immediately before the motor vehicle, motorcycle, semitrailer, or recreational vehicle was wrecked or damaged.

(3) The motor vehicle is a flood damaged vehicle.

(b) For the purposes of this section, the bureau shall, upon request, determine the fair market value of a wrecked or damaged motor vehicle, motorcycle, semitrailer, or recreational vehicle if the fair market value cannot be determined from the source referred to in section 2(1) of this chapter.

(c) Except as described in section 11(c) of this chapter, an insurance company shall apply for a salvage title for a vehicle that the insurance company has determined is economically impractical to repair.

(d) An owner described in subsection (a)(2) shall apply for a salvage title for any vehicle that has sustained damages of seventy percent (70%) or more of the fair market value immediately before the motor vehicle, motorcycle, semitrailer, or recreational vehicle was wrecked or damaged if the vehicle meets the criteria specified in subsection (a)(2).

As added by P.L.2-1991, SEC.10. Amended by P.L.59-1998, SEC.4; P.L.110-2006, SEC.1.

IC 9-22-3-4

Issuance of certificate of salvage title

Sec. 4. The bureau shall issue a certificate of salvage title as proof

of ownership for a salvage motor vehicle when the acquiring insurance company, disposal facility, or person does the following:

- (1) Applies for the certificate of salvage title.
- (2) Pays the appropriate fee under IC 9-29-7.
- (3) Surrenders the motor vehicle's original certificate of title. The certificate of title must be properly notarized or include the affidavit of the last person who owned the vehicle, the person's legal representative, or legal successor in interest of the vehicle, or other acceptable proof of ownership as determined by the bureau.

As added by P.L.2-1991, SEC.10.

IC 9-22-3-5

Certificate of salvage title; contents

Sec. 5. A certificate of salvage title issued under section 4 of this chapter must contain the following information:

- (1) The same vehicle information as a certificate of title issued by the department.
- (2) The notation "SALVAGE TITLE" prominently recorded on the front and back of the title.
- (3) If the motor vehicle is a flood damaged vehicle, the notation "FLOOD DAMAGED" prominently recorded on the front and back of the title.

As added by P.L.2-1991, SEC.10. Amended by P.L.59-1998, SEC.5.

IC 9-22-3-6

Certificate of salvage title; assignment by owner of salvage vehicle

Sec. 6. A certificate of salvage title issued under section 4 of this chapter may be assigned by the person who owns the salvage vehicle to another buyer.

As added by P.L.2-1991, SEC.10.

IC 9-22-3-7

Certificate of salvage title; assignment by dealer

Sec. 7. A business that is registered with the secretary of state as a dealer under IC 9-23 may reassign a certificate of salvage title one (1) time without applying to the bureau for the issuance of a new certificate of salvage title.

As added by P.L.2-1991, SEC.10. Amended by P.L.93-2010, SEC.7.

IC 9-22-3-7.5

Affidavit regarding flood damage to vehicle

Sec. 7.5. (a) A dealer licensed as a dealer under IC 9-23 on the date of receiving a title by sale or transfer shall secure an affidavit from the person who holds the certificate of title. The affidavit must state whether the vehicle is a flood damaged vehicle.

(b) The dealer shall file the affidavit secured under subsection (a) with the bureau upon receiving the affidavit and shall retain a copy of the affidavit with the records of the dealer.

(c) The bureau shall retain an affidavit regarding flood damage to

the vehicle submitted to the bureau by a dealer under this section.

(d) Submission of a fraudulent affidavit under subsection (a) will subject the affiant to civil liability for all damages incurred by a dealer subsequent purchaser or transferee of the title, including reasonable attorney's fees and court costs (including fees).

As added by P.L.258-1999, SEC.2. Amended by P.L.106-2010, SEC.1.

IC 9-22-3-8

Vehicle restoration; affidavits

Sec. 8. If a salvage motor vehicle has been flood damaged, extensively burned, vandalized, or severely wrecked so that one (1) or more component parts are required to restore the motor vehicle to an operable condition, the person or business that restored the motor vehicle must furnish, on an affidavit of restoration for a salvage motor vehicle form, the name, identification number, and source of all component parts that were included in the restoration of the vehicle. The affidavit must be attached to the certificate of salvage title and be submitted to the bureau upon application by a person for a certificate of title for the vehicle.

As added by P.L.2-1991, SEC.10. Amended by P.L.59-1998, SEC.6.

IC 9-22-3-9

Purchase by dealer of salvage vehicle; certificate of dealer title; affidavit of restoration; retention by bureau of records

Sec. 9. If a dealer purchases a salvage motor vehicle subject to section 8 of this chapter and applies for a certificate of dealer title, the affidavit attached to the certificate of salvage title must also be attached to the certificate of dealer title. The bureau must retain the affidavit or a microfilm copy of the form for ten (10) years.

As added by P.L.2-1991, SEC.10. Amended by P.L.59-1998, SEC.7.

IC 9-22-3-10

Duplicate certificates of salvage title

Sec. 10. (a) If a certificate of salvage title is lost, mutilated, or destroyed or becomes illegible, the person who owns the vehicle or the legal representative or legal successor in interest of the person who owns the motor vehicle, semitrailer, or recreational vehicle for which the certificate of salvage title was issued, as shown by the records of the bureau of motor vehicles, shall immediately apply for a duplicate certificate of salvage title.

(b) A person described in subsection (a) may obtain a duplicate certificate of salvage title when the person furnishes information concerning the loss, mutilation, destruction, or illegibility satisfactory to the department and pays the fee set forth in IC 9-29-7. Upon the issuance of a duplicate certificate of salvage title, the most recent certificate of salvage title issued is considered void by the department.

(c) A certificate of salvage title issued under this section must have recorded upon the title's face and back the words "DUPLICATE

SALVAGE TITLE".

(d) If the lost, mutilated, destroyed, or illegible certificate of salvage title contained the notation "FLOOD DAMAGED", the duplicate certificate of salvage title must have recorded upon the title's face and back the words "FLOOD DAMAGED".

As added by P.L.2-1991, SEC.10. Amended by P.L.59-1998, SEC.8.

IC 9-22-3-11

Application by insurer or owner for certificate of salvage title

Sec. 11. (a) This section applies to the following persons:

(1) An insurance company that declares a wrecked or damaged motor vehicle, motorcycle, semitrailer, or recreational vehicle that meets at least one (1) of the criteria set forth in section 3 of this chapter and the ownership of which is not evidenced by a certificate of salvage title.

(2) An insurance company that has made and paid an agreed settlement for the loss of a stolen motor vehicle, motorcycle, semitrailer, or recreational vehicle that:

(A) has been recovered by the titled owner; and

(B) meets at least one (1) of the criteria set forth in section 3 of this chapter.

(b) A person who owns or holds a lien upon a vehicle described in subsection (a) shall assign the certificate of title to the insurance company described in subsection (a). The insurance company shall apply to the bureau within thirty-one (31) days after receipt of the certificate of title for a certificate of salvage title for each salvage or stolen vehicle subject to this chapter. The insurance company shall surrender the certificate of title to the department and pay the fee prescribed under IC 9-29-7 for a certificate of salvage title.

(c) When the owner of a vehicle described in subsection (a) retains possession of the vehicle:

(1) the person who possesses the certificate of title shall surrender the certificate of title to the insurance company described in subdivision (2);

(2) the insurance company that completes an agreed settlement for the vehicle shall:

(A) obtain the certificate of title; and

(B) submit to the bureau:

(i) the certificate of title;

(ii) the appropriate fee; and

(iii) a request for a certificate of salvage title on a form prescribed by the bureau; and

(3) after the bureau has received the items set forth in subdivision (2)(B), the bureau shall issue a certificate of salvage title to the owner.

(d) When a self-insured entity is the owner of a salvage motor vehicle, motorcycle, semitrailer, or recreational vehicle that meets at least one (1) of the criteria set forth in section 3 of this chapter, the self-insured entity shall apply to the bureau within thirty-one (31) days after the date of loss for a certificate of salvage title in the name

of the self-insured entity's name.

(e) Any other person acquiring a wrecked or damaged motor vehicle, motorcycle, semitrailer, or recreational vehicle that meets at least one (1) of the criteria set forth in section 3 of this chapter, which acquisition is not evidenced by a certificate of salvage title, shall apply to the bureau within thirty-one (31) days after receipt of the certificate of title for a certificate of salvage title.

(f) A person that violates this section commits a Class D infraction.

As added by P.L.2-1991, SEC.10. Amended by P.L.268-2003, SEC.24; P.L.110-2006, SEC.2.

IC 9-22-3-12

Old salvage vehicles; salvage transactions occurring before September 1, 1975

Sec. 12. The owner of a salvage motor vehicle not covered by this chapter, either because a salvage transaction had taken place before September 1, 1975, or because the vehicle is too old, is not required to obtain a certificate of salvage title for the vehicle.

As added by P.L.2-1991, SEC.10.

IC 9-22-3-13

Totally demolished or destroyed vehicles; exception from certificate of salvage title requirements; maintenance of records

Sec. 13. A scrap metal processor or other appropriate facility that purchases or acquires a salvage motor vehicle that has been totally demolished or destroyed as a result of normal processing performed by a disposal facility is not required to apply for and receive a certificate of salvage title for the vehicle. The disposal facility shall maintain the records prescribed by the bureau for a totally demolished or destroyed vehicle.

As added by P.L.2-1991, SEC.10. Amended by P.L.66-1992, SEC.11.

IC 9-22-3-14

Totally demolished or destroyed vehicles; surrender of certificate of title and certificate of salvage title

Sec. 14. (a) This section applies to all salvage motor vehicles.

(b) Whenever a salvage motor vehicle is totally demolished or destroyed by a disposal facility, scrap metal processor, or other appropriate facility, the facility or processor shall surrender the certificate of title and certificate of salvage title to the bureau.

As added by P.L.2-1991, SEC.10. Amended by P.L.66-1992, SEC.12.

IC 9-22-3-15

Rebuilt salvage motor vehicles; issuance of certificate of title

Sec. 15. If a salvage motor vehicle is rebuilt for operation upon the highways and ownership is evidenced by a certificate of salvage title, the person who owns the vehicle shall apply to the bureau for a certificate of title. The bureau shall issue a certificate of title that lists each person who holds a lien on the vehicle to the person who

owns the vehicle when the following are completed:

- (1) The inspection of the vehicle by a police officer.
- (2) The verification of proof of ownership of major component parts used and the source of the major component parts.
- (3) The surrender of the certificate of salvage title properly executed with an affidavit concerning the major component parts on a form prescribed by the bureau.
- (4) The payment of the fee required under IC 9-29-7.

As added by P.L.2-1991, SEC.10.

IC 9-22-3-16

Rebuilt vehicle or rebuilt flood damaged vehicle designation on certificate of title; affidavits

Sec. 16. (a) Except as provided in subsection (b), a certificate of title issued under section 8, 9, or 15 of this chapter and a certificate of title subsequently issued must conspicuously bear the designation:

- (1) "REBUILT VEHICLE--MILEAGE UNKNOWN" if the motor vehicle is not a flood damaged vehicle; or
- (2) "REBUILT FLOOD DAMAGED VEHICLE" if the motor vehicle is a flood damaged vehicle.

(b) An insurance company authorized to do business in Indiana may obtain a certificate of title that does not bear the designation if the company submits to the bureau, in the form and manner the bureau requires, satisfactory evidence that the damage to a recovered stolen motor vehicle did not meet the criteria set forth in section 3 of this chapter.

(c) An affidavit submitted under section 8 or 9 of this chapter must conspicuously bear the designation:

- (1) "REBUILT VEHICLE--MILEAGE UNKNOWN" if the motor vehicle is not a flood damaged vehicle; or
- (2) "REBUILT FLOOD DAMAGED VEHICLE" if the motor vehicle is a flood damaged vehicle.

As added by P.L.2-1991, SEC.10. Amended by P.L.59-1998, SEC.9.

IC 9-22-3-17

Rebuilt vehicle or rebuilt flood damaged vehicle designation on certificates of title issued by other jurisdictions; designation on new or subsequent certificates of title

Sec. 17. (a) Except as provided in subsection (b), whenever a certificate of title is issued for a motor vehicle that was previously titled in another state or jurisdiction and the certificate of title from the other state or jurisdiction contains a "REBUILT", "RECONSTRUCTED", "RECONDITIONED", "DISTRESSED VEHICLE", or similar designation, a new and subsequent certificate of title must conspicuously bear the designation "REBUILT VEHICLE".

(b) Whenever a certificate of title is issued for a motor vehicle described in subsection (a) that was previously titled in another state or jurisdiction and the certificate of title from the other state or jurisdiction contains a designation that indicates that the motor

vehicle is a flood damaged vehicle, a new and subsequent certificate of title must conspicuously bear the designation "REBUILT FLOOD DAMAGED VEHICLE".

As added by P.L.2-1991, SEC.10. Amended by P.L.59-1998, SEC.10.

IC 9-22-3-18

Vehicles designated by other jurisdictions as junk

Sec. 18. A vehicle that has been designated "JUNK" in another state or jurisdiction may not be titled in Indiana.

As added by P.L.2-1991, SEC.10.

IC 9-22-3-19

Recordkeeping forms

Sec. 19. (a) The secretary of state shall prescribe recordkeeping forms to be used by:

- (1) a disposal facility;
- (2) an automotive salvage rebuilder; and
- (3) a used parts dealer licensed under IC 9-22-4;

to preserve information about salvage vehicles or major component parts acquired or sold by the business.

(b) The recordkeeping forms required under subsection (a) must contain the following information:

- (1) For each new or used vehicle acquired or disposed of or for the major component parts of a new or used vehicle, the following:
 - (A) A description of the vehicle or major component part, including numbers or other marks identifying the vehicle or major component part.
 - (B) The date the vehicle or major component part was acquired and disposed of.
 - (C) The name and address of the person from whom the vehicle or major component part was acquired.
 - (D) Verification of the purchaser of the vehicle or major component part by driver's license, state identification card, or other reliable means.

(2) For motor vehicles acquired or disposed of, in addition to the information required by subdivision (1), the following:

- (A) The vehicle's trade name.
- (B) The vehicle's manufacturer.
- (C) The vehicle's type.
- (D) The model year and vehicle identification number.
- (E) A statement of whether any number has been defaced, destroyed, or changed.

(3) For wrecked, dismantled, or rebuilt vehicles, the date the vehicle was dismantled or rebuilt.

(c) Separate records for each vehicle or major component part must be maintained.

(d) The recordkeeping requirements of this section do not apply to hulk crushers or to scrap metal processors when purchasing scrap from a person who is licensed under IC 9-22-4 and who is required

to keep records under this section.

As added by P.L.2-1991, SEC.10. Amended by P.L.106-2008, SEC.17.

IC 9-22-3-20

Retention of records

Sec. 20. Unless otherwise specified or required, the records required under section 19 of this chapter shall be retained for a period of five (5) years from the date the vehicle or major component part was acquired, in the form prescribed by the secretary of state.

As added by P.L.2-1991, SEC.10. Amended by P.L.93-2010, SEC.8.

IC 9-22-3-21

Availability and production of records

Sec. 21. The records required under section 19 of this chapter must be available to and produced at the request of a police officer or an authorized agent of the secretary of state under this chapter.

As added by P.L.2-1991, SEC.10. Amended by P.L.93-2010, SEC.9.

IC 9-22-3-22

Late model vehicles purchased by disposal facilities or automotive salvage rebuilders; completion of recordkeeping forms

Sec. 22. (a) This section applies to vehicles and their component parts that are in either their current model year or in the immediately preceding six (6) model years when purchased by a disposal facility or automotive salvage rebuilder.

(b) A disposal facility and automotive salvage rebuilder licensed under IC 9-22-4 must complete the recordkeeping forms developed under section 19 of this chapter for the purchase of a salvage motor vehicle or major component part.

As added by P.L.2-1991, SEC.10. Amended by P.L.59-1998, SEC.12.

IC 9-22-3-23

Inspection of records by police officers; examination of business premises

Sec. 23. A record required to be maintained under this chapter is subject to inspection by a police officer during normal business hours. In addition to the inspections authorized under section 24 of this chapter, an inspection under this section may include an examination of the premises of the licensee's established place of business for the purpose of determining the accuracy of the required records.

As added by P.L.2-1991, SEC.10.

IC 9-22-3-24

Entry onto premises to inspect vehicles, parts, records, or certificates of title

Sec. 24. The secretary of state, a police officer, or an agent of the secretary of state or a police officer may enter upon the premises of a disposal facility, insurance company, or other business dealing in

salvage vehicles during normal business hours to inspect a motor vehicle, semitrailer, recreational vehicle, major component part, records, certificate of title, and other ownership documents to determine compliance with this chapter.

As added by P.L.2-1991, SEC.10. Amended by P.L.93-2010, SEC.10.

IC 9-22-3-25

Releasing or providing evidence or information; immunity from civil and criminal liability

Sec. 25. In the absence of fraud or bad faith, a person who releases or provides evidence or information under this chapter to any of the following is immune from civil or criminal liability for providing that evidence or information:

- (1) The superintendent of the state police or the superintendent's designee.
- (2) The attorney general or the attorney general's designee.
- (3) The city police chief or the city police chief's designee.
- (4) The county sheriff or the county sheriff's designee.
- (5) The prosecuting attorney or the prosecuting attorney's designee responsible for prosecutions in the county that has jurisdiction of the auto theft.

As added by P.L.2-1991, SEC.10.

IC 9-22-3-26

Issuance of search warrant

Sec. 26. A court may issue a warrant to search the premises of an automotive salvage rebuilder, an automotive salvage recycler, a disposal facility, or a used parts dealer for any major component parts being possessed, kept, sold, bartered, given away, used, or transported in violation of this chapter.

As added by P.L.2-1991, SEC.10.

IC 9-22-3-27

Search warrant; service and return

Sec. 27. A warrant issued under section 26 of this chapter shall be directed to a police officer who has the power of criminal process. The person to whom the warrant was issued shall serve the warrant and make the return within twenty (20) days after the date of issue.

As added by P.L.2-1991, SEC.10.

IC 9-22-3-28

Search warrant; articles to be seized; disposition ordered by court

Sec. 28. The police officer who serves a warrant issued under section 26 of this chapter shall seize any article described in the warrant and any other article the police officer finds during the search that is held in violation of this chapter. The police officer shall hold the articles pending the disposition ordered by the court in which a prosecution may be instituted for a violation of this chapter.

As added by P.L.2-1991, SEC.10.

IC 9-22-3-29

Articles seized under warrant; replevin and other process

Sec. 29. A major component part seized under this chapter and any other article found on the searched premises and taken under a warrant issued under section 26 of this chapter may not be taken from the custody of the person who served the warrant by a writ of replevin or other process while proceedings are pending.

As added by P.L.2-1991, SEC.10.

IC 9-22-3-30

Sales, exchanges, or transfers of rebuilt vehicles by dealers; disclosures

Sec. 30. A seller that is:

(1) a dealer; or

(2) any other person who sells, exchanges, or transfers at least five (5) vehicles each year;

may not sell, exchange, or transfer a rebuilt vehicle without disclosing in writing to the purchaser, customer, or transferee before consummating the sale, exchange, or transfer the fact that the vehicle is a rebuilt vehicle if the dealer or other person knows or should reasonably know the vehicle is a rebuilt vehicle.

As added by P.L.2-1991, SEC.10.

IC 9-22-3-31

Sale or offer to sell manufacturer's identification plate or serial plate removed from vehicle that is total loss or salvage; classification of offense

Sec. 31. A person who knowingly possesses, buys, sells, exchanges, gives away, or offers to buy, sell, exchange or give away a manufacturer's identification plate or serial plate that has been removed from a motor vehicle, motorcycle, semitrailer, or recreational vehicle that is a total loss or salvage commits a Class D felony.

As added by P.L.2-1991, SEC.10.

IC 9-22-3-32

Nontitle state certificates of title or ownership papers; violations; classification of offense

Sec. 32. A person who knowingly possesses, buys, sells, exchanges, gives away, or offers to buy, sell, exchange or give away a certificate of title or ownership papers from a nontitle state of a motor vehicle, motorcycle, semitrailer, or recreational vehicle that is a total loss or salvage commits a Class D felony.

As added by P.L.2-1991, SEC.10.

IC 9-22-3-33

Certain certificate of salvage title violations; classification of offense

Sec. 33. A person who violates section 4, 5, 6, 7, 8, or 9 of this chapter commits a Class D felony.

As added by P.L.2-1991, SEC.10.

IC 9-22-3-34

Violations for which there is no specific penalty; classification

Sec. 34. A person who violates a provision of this chapter for which there is no specific penalty commits a Class B misdemeanor.

As added by P.L.2-1991, SEC.10.

IC 9-22-3-35

Commencement of prosecution; indictment or information

Sec. 35. The prosecution of a disposal facility, automotive salvage rebuilder, insurance company, or individual suspected of having violated this section may be instituted by the filing of an information or indictment in the same manner as other criminal cases are commenced.

As added by P.L.2-1991, SEC.10.

IC 9-22-3-36

Civil remedies for violations; actual damages; treble damages; costs and attorney's fees

Sec. 36. A person aggrieved by a violation of this chapter may recover the actual damages sustained, together with costs and reasonable attorney's fees. In the court's discretion the court may increase the award of damages to:

(1) an amount not to exceed three (3) times the actual damages sustained; or

(2) two thousand five hundred dollars (\$2,500);

whichever is greater.

As added by P.L.2-1991, SEC.10.

IC 9-22-3-37

Violations as deceptive acts; action by attorney general; remedies and penalties

Sec. 37. Except as provided in section 11(f) of this chapter, a person who violates this chapter commits a deceptive act that is actionable by the attorney general and is subject to the remedies and penalties under IC 24-5-0.5.

As added by P.L.2-1991, SEC.10. Amended by P.L.110-2006, SEC.3.