**A** **BILL**

TO AMEND SECTION 56‑1‑10, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO CERTAIN TERMS AND THEIR DEFINITIONS CONTAINED IN THE PROVISIONS THAT PERTAIN TO THE DEPARTMENT OF MOTOR VEHICLES, SO AS TO CREATE ADDITIONAL TERMS AND DEFINITIONS RELATING TO SALVAGE, JUNK, AND OFF‑ROAD‑USE VEHICLES; TO AMEND SECTION 56‑19‑485, RELATING TO THE TITLE BRAND DESIGNATION OF VEHICLES AS “WRECKAGE” OR “SALVAGE”, SO AS TO DELETE THESE DESIGNATIONS AND TO PROVIDE THE TITLE BRAND DESIGNATION MUST BE ONE THAT IS CONTAINED IN SECTION 56‑1‑10; AND TO AMEND SECTION 56‑19‑490, RELATING TO PLACING LANGUAGE ON A MOTOR VEHICLE TITLE TO INDICATE THE MOTOR VEHICLE WAS RETURNED TO ITS MANUFACTURER UNDER CERTAIN CIRCUMSTANCES, SO AS TO REVISE THE LANGUAGE THAT MUST BE PLACED ON THE MOTOR VEHICLE’S TITLE.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 56‑1‑10 of the 1976 Code is amended by adding an appropriately numbered item at the end to read:

“( ) ‘Salvage’ means a brand added to a vehicle’s title by the department to designate a vehicle that has been declared a total loss by an insurance company, has repairs that exceed seventy‑five percent of the value of the vehicle before the damage occurred, or has damage to the body, unibody, or frame to the extent that it is unsafe for operation.

( ) ‘Salvage Non‑Removable’ means a brand added to a vehicle’s title by the department to designate a vehicle that had a salvage brand when it was transferred from an insurance company to a new owner and the owner has not presented the proper information to the department indicating the vehicle has been repaired and inspected.

( ) ‘Salvage Rebuilt’ means a brand added to a vehicle’s title by the department to designate a vehicle with a salvage brand that has been transferred to a new owner who has repaired the vehicle pursuant to Section 56‑19‑485(B).

( ) ‘Salvage Nonrebuildable’ means a brand added to a vehicle’s title by the department to designate a vehicle that has been declared by an insurance company as nonrebuildable. This vehicle must never be titled, registered, or operated in South Carolina.

( ) ‘Salvage Flood’ means a brand added to a vehicle’s title by the department to designate that an insurance company has determined a vehicle that has been declared salvage due to damage caused by:

(a) having been submerged in water to a point the level of the water was higher than the door sill of the vehicle or having had water enter the passenger, trunk, or engine compartment of the vehicle;

(b) having had water come into contact with the electrical or computer components of the vehicle; or

(c) being submerged in water and an insurance company having paid a total loss claim.

( ) ‘Salvage Flood Rebuilt’ means a brand added to a vehicle’s title by the department to designate a vehicle with a salvage flood brand that has been transferred to a new owner who has repaired the vehicle pursuant to Section 56‑19‑485(B).

( ) ‘Salvage Fire’ means a brand added to a vehicle’s title by the department to designate an insurance company has determined a vehicle that has been declared salvage due to damage caused by fire.

( ) ‘Salvage Fire Rebuilt’ means a brand added to a vehicle’s title by the department to designate a vehicle with a salvage fire brand that has been transferred to a new owner who has repaired the vehicle pursuant to Section 56‑19‑485(B).

( ) ‘Junk’ means a brand added to a vehicle’s title by the department to designate an insurance company has determined a vehicle has been damaged to the extent that it cannot be repaired for operation or that it is only of value as a source of parts or scrap metal.

( ) ‘Off Road Use Only’ means a brand added to a vehicle’s title by the department to designate a vehicle’s Manufacturer Certificate of Origin designated a vehicle is not manufactured for use on public roads. The department shall not register and license this vehicle pursuant to Section 56‑3‑350.”

SECTION 2. Section 56‑19‑485 of the 1976 Code is amended to read:

“Section 56‑19‑485. (A) Notwithstanding any other provision of law, whenever any motor vehicle ~~which qualifies as ‘wreckage’ or ‘salvage’~~ with a vehicle title brand as defined in Section 56‑1‑10 is transferred in this State pursuant to Section 56‑19‑480, whether the vehicle was, immediately before such transfer, titled in this State or in another state, ~~the vehicle shall be designated as ‘wreckage’ or ‘salvage’, as may be applicable, to the extent necessary~~ the vehicle title shall maintain the designated brand to inform the transferee of the exact condition of the vehicle. No ~~wrecked or salvaged~~ out‑of‑state vehicle or South Carolina registered vehicle shall be registered under the laws of this State without such designation, and this designation must be applied to all subsequent transfers of the vehicle. If the title brand designation of a vehicle titled in another jurisdiction does not match exactly the definitions contained in Section 56‑1‑10, the department shall determine which of the title branding definitions in Section 56‑1‑10 most nearly describes the condition of the vehicle when titling it in South Carolina. The department shall apply that brand to the vehicle and it should remain on the vehicle through any subsequent transfers in South Carolina. The department may add other nonsalvage brands, outside of those defined in Section 56‑1‑10, to vehicle titles to properly classify vehicles and the use of those vehicles as it pertains to vehicle operation in South Carolina. Any vehicle previously title‑branded in another state must be title‑branded as the department deems appropriate pursuant to this section without regard to whether the vehicle was subsequently titled in a jurisdiction without a title brand.

The provisions of this section apply to transfers of vehicles in all of the circumstances described in Section 56‑19‑480~~, whether the vehicle is ‘totaled’, declared a total loss, ‘junked’, or ‘salvaged’~~.

(B) Notwithstanding the provisions of this section, the owner of a vehicle whose total cost of repair, including all labor and parts, is estimated to be seventy‑five percent or more of the fair market value of the vehicle must provide the Department of Motor Vehicles an affidavit from a person who reconstructs or rebuilds a vehicle indicating the cost of repair along with other data the department may prescribe to obtain a certificate of title. The provisions contained in this section do not apply to a motor vehicle that has a fair market value of two thousand dollars or less, or an antique motor vehicle as defined by Section 56‑3‑2210. A certificate of title issued for a vehicle described in this paragraph must be annotated to indicate the motor vehicle is designated ~~‘wreckage’ or~~ ‘salvage’ as applicable to the extent necessary to inform the transferee of the exact condition of the vehicle. A ~~wrecked or~~ salvaged out‑of‑state vehicle or South Carolina registered vehicle may not be registered in this State without this designation, and this designation must be applied to subsequent transfer of the vehicle.

(C) If a vehicle’s Manufacturer’s Certificate of Origin is branded with a designation, the department shall apply that same brand to the vehicle and it should remain with the vehicle through any subsequent transfers in South Carolina. If the title brand designation of the Manufacturer’s Certificate of Origin does not match exactly the definitions in Section 56‑1‑10, the department shall determine which title branding definition in Section 56‑1‑10 most nearly describes the condition of the vehicle when titling it in South Carolina.”

SECTION 3. Section 56‑19‑490(A) of the 1976 Code is amended to read:

“(A) In every sale or transfer of a motor vehicle returned to the manufacturer under the provisions of Chapter 28, Title 56, a similar statute of another state, or as the result of a legal action, the title must have the following sentence printed on its face in large, bold, uppercase type: ‘~~RETURNED TO MANUFACTURER UNDER~~ LEMON LAW ~~OR OTHER PROCEEDING~~’. The notice required under the provisions of this subsection must continue to appear on each title issued as a result of any subsequent sale or transfer of that motor vehicle.”

SECTION 4. This act takes effect upon approval by the Governor.

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