

186A.520 Salvage titles -- Conditions for issuance -- Operation of vehicle with salvage title. (Effective July 15, 2026)

- (1) Except as provided in KRS 186A.555, a salvage title shall be obtained by the owner of a motor vehicle that meets the following definition of a salvage vehicle:
 - (a)
 1. A vehicle that has been wrecked, destroyed, or damaged, to the extent that the total estimated or actual cost of parts and labor to rebuild or reconstruct the vehicle to its preaccident condition and for legal operation on the roads or highways, not including the cost of parts and labor to reinstall a deployed airbag system, exceeds seventy-five percent (75%) of the retail value of the vehicle, as prescribed by a nationally accepted used car valuation guide or tool identified under KRS 304.20-110.
 2. The value of repair parts for purposes of this paragraph shall be determined by using the current published retail cost of the parts equal in kind and quality to the parts to be replaced or the actual retail cost of the repair parts used in repair.
 3. The labor costs of repairs for purposes of this paragraph shall be computed by using the hourly labor rate and time allocations which are reasonable and customary in the automobile repair industry in the community where the repairs are performed.
 4. Airbag reinstallation costs which are excluded from the seventy-five percent (75%) computation as set forth in subparagraph 1. of this paragraph shall be included by an insurer in the computation of the total physical damage estimate according to the terms and conditions of individual policies, provided that the total costs payable by an insurer do not exceed the total retail value of the vehicle; or
 - (b) A vehicle that is exempt from certificate of title surrender under KRS 186A.295(3).
- (2) The owner or an authorized agent of a motor vehicle that meets the definition of a salvage vehicle as set forth in subsection (1) of this section shall, within fifteen (15) days from the receipt of all necessary paperwork required by this chapter, submit an application to the county clerk, on a form prescribed by the Department of Vehicle Regulation, for a salvage title, accompanied by a properly endorsed certificate of title and any lien satisfactions, if any appear, as may be required.
- (3) The county clerk shall retain a copy of each salvage title application received and shall forward the original and its supporting documents to the Department of Vehicle Regulation in a manner similar to that for handling of an application for a title.
- (4) The county clerk shall rely on the information provided by the owner or authorized agent, including a county of residence designation, on:
 - (a) Any approved, notarized state form utilized in lien titling or the title transfer process signed by the owner or authorized agent; and
 - (b) Any document submitted during the transfer of a salvage vehicle from an owner to an insurer.

Reliance on the foregoing by the county clerk shall relieve the office of the county clerk from liability to any third party claiming failure to comply with this section.

- (5) The Department of Vehicle Regulation shall process the salvage title application in a manner similar to that used in processing a title application and the salvage title shall be delivered in a like manner of a title. Salvage titles shall be construed as proof of ownership of a vehicle in a state as to be unusable upon the highways of the Commonwealth.
- (6) A vehicle shall not be issued a registration for highway use as long as a salvage title is in force. The only time a vehicle with a salvage title may be operated upon the highways of the Commonwealth is when it is in route to or from an inspection by the certified inspector prior to obtaining a certificate of title after having been rebuilt as per KRS 186.115.
- (7) Notwithstanding the provisions of KRS 369.103, when a salvage vehicle is transferred from an owner to an insurer, the following shall be exempted from the requirements of notarization, including exemption from the notarization of electronic signature requirements of KRS Chapter 423:
 - (a) The transfer of ownership on the certificate of title;
 - (b) Any power of attorney required in connection with the transfer of ownership to the insurer;
 - (c) Any required odometer disclosure statement;
 - (d) The application for a salvage certificate of title; and
 - (e) The transfer of ownership on the salvage certificate of title issued.
- (8) Subsections (2) to (5) of this section shall not apply to applications for salvage title using the electronic title application and registration system established under KRS 186A.017.

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History: Amended 2026 Ky. Acts ch. 100, sec. 2, effective July 15, 2026. -- Amended 2025 Ky. Acts ch. 95, sec. 14, effective March 27, 2025. -- Amended 2024 Ky. Acts ch. 123, sec. 38, effective July 15, 2024. -- Amended 2023 Ky. Acts ch. 6, sec. 6, effective January 1, 2024. -- Amended 2020 Ky. Acts ch. 49, sec. 1, effective July 15, 2020. -- Amended 2009 Ky. Acts ch. 54, sec. 1, effective October 1, 2009. -- Amended 2003 Ky. Acts ch. 97, sec. 3, effective June 24, 2003. -- Amended 2000 Ky. Acts ch. 230, sec. 2, effective July 14, 2000. -- Amended 1994 Ky. Acts ch. 243, sec. 3, effective July 15, 1994; renumbered by the Reviser of Statutes, effective July 15, 1994. -- Created 1982 Ky. Acts ch. 164, sec. 64, effective July 15, 1982.

Formerly codified as KRS 186A.335.