

1 AN ACT relating to motor vehicle titles.

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

3 ➔Section 1. KRS 186A.520 is amended to read as follows:

- 4 (1) Except as provided in KRS 186A.555, a salvage title shall be obtained by the owner  
5 of a motor vehicle that meets the following definition of a salvage vehicle:
- 6 (a) A vehicle which has been wrecked, destroyed, or damaged, to the extent that  
7 the total estimated or actual cost of parts and labor to rebuild or reconstruct  
8 the vehicle to its preaccident condition and for legal operation on the roads or  
9 highways, not including the cost of parts and labor to reinstall a deployed  
10 airbag system, exceeds seventy-five percent (75%) of the retail value of the  
11 vehicle, as set forth in a current edition of the National Automobile Dealer's  
12 Association price guide.
- 13 (b) The value of repair parts for purposes of this definition shall be determined by  
14 using the current published retail cost of the parts equal in kind and quality to  
15 the parts to be replaced or the actual retail cost of the repair parts used in  
16 repair.
- 17 (c) The labor costs of repairs for purposes of this section shall be computed by  
18 using the hourly labor rate and time allocations which are reasonable and  
19 customary in the automobile repair industry in the community where the  
20 repairs are performed.
- 21 (d) Airbag reinstallation costs which are excluded from the seventy-five percent  
22 (75%) computation as set forth in paragraph (a) of this subsection shall be  
23 included by an insurer in the computation of the total physical damage  
24 estimate according to the terms and conditions of individual policies, provided  
25 that the total costs payable by an insurer do not exceed the total retail value of  
26 the vehicle.
- 27 (2) The owner or an authorized agent of a motor vehicle that meets the definition of a

1 salvage vehicle as set forth in subsection (1) of this section shall, within fifteen (15)  
2 days from the receipt of all necessary paperwork required by this chapter, submit an  
3 application to the county clerk, on a form prescribed by the Department of Vehicle  
4 Regulation, for a salvage title, accompanied by a properly endorsed certificate of  
5 title and any lien satisfactions, if any appear, as may be required.

6 (3) The county clerk shall retain a copy of each salvage title application received and  
7 shall forward the original and its supporting documents to the Department of  
8 Vehicle Regulation in a manner similar to that for handling of an application for a  
9 title.

10 (4) The county clerk shall rely on the information provided by the owner or  
11 authorized agent, including a county of residence designation, on:

12 (a) Any approved, notarized state form utilized in lien titling or the title transfer  
13 process signed by the owner or authorized agent; and

14 (b) Any document submitted during the transfer of a salvage vehicle from an  
15 owner to an insurer.

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

18 (5) The Department of Vehicle Regulation shall process the salvage title application in  
19 a manner similar to that used in processing a title application and the salvage title  
20 shall be delivered in a like manner of a title. Salvage titles shall be construed as  
21 proof of ownership of a vehicle in a state as to be unusable upon the highways of  
22 the Commonwealth. A vehicle shall not be issued a registration for highway use as  
23 long as a salvage title is in force.

24 ~~(6)~~(5) The only time a vehicle with a salvage title may be operated upon the  
25 highways of the Commonwealth is when it is in route to or from an inspection by  
26 the certified inspector prior to obtaining a certificate of title after having been  
27 rebuilt as per KRS 186.115.

- 1 (7) Notwithstanding the provisions of KRS 369.103, when a salvage vehicle is  
2 transferred from an owner to an insurer, the following shall be exempted from  
3 the requirements of notarization, including exemption from the notarization of  
4 electronic signature requirements of KRS Chapter 423:
- 5 (a) The transfer of ownership on the certificate of title;
  - 6 (b) Any power of attorney required in connection with the transfer of  
7 ownership to the insurer;
  - 8 (c) Any required odometer disclosure statement;
  - 9 (d) The application for a salvage certificate of title; and
  - 10 (e) The transfer of ownership on the salvage certificate of title issued.