

1 AN ACT relating to motor vehicles.

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

3 ➔Section 1. KRS 186A.510 is amended to read as follows:

4 As used in KRS 186A.500 to 186A.550, unless the context otherwise requires:

- 5 (1) "Brand" means a designation that is affixed as required by this chapter, or that has  
6 previously been affixed, to a motor vehicle title that establishes a portion of the  
7 history of the motor vehicle and that shall be fixed to all subsequently issued titles  
8 for that vehicle;
- 9 (2) "Classic motor vehicle project" means a motor vehicle that is:
- 10 (a) At least twenty-five (25) years old;
- 11 (b) Not in roadworthy condition; and
- 12 (c) Either currently in this state and not titled or being brought into this state with  
13 a regular title from another state that does not denote it as "salvage," "junk,"  
14 "rebuilt," or any similar designation;
- 15 (3) "Dealer" means a person or business as defined in KRS 190.010 who sells or offers  
16 for sale a motor vehicle;
- 17 (4) "Junk vehicle" means a vehicle which meets the description set forth in KRS  
18 186A.295(1)(a);
- 19 (5) "Motor vehicle" means a motor vehicle as defined in KRS 186.010(8)(a) and (b);
- 20 (6) "Owner" means a person who holds the legal title of a vehicle or a person who  
21 pursuant to a bona fide sale has received physical possession of the vehicle subject  
22 to any applicable security interest;
- 23 (7) "Rebuilt vehicle" means a vehicle that has been repaired to a road worthy condition  
24 after having been registered as a salvage vehicle pursuant to KRS 186A.520, or a  
25 similar salvage designation from another licensing jurisdiction;
- 26 (8) "Roadworthy condition" means a vehicle in a safe condition to operate on the  
27 highway and capable of transporting persons or property that complies fully with

1 the provisions of KRS Chapter 189 pertaining to vehicle equipment;~~[-and]~~

2 (9) "Water damage" means damage to a motor vehicle caused by submerging or  
3 partially submerging the vehicle in water to the extent that the vehicle was  
4 submerged or partially submerged at any water level above the dashboard of the  
5 vehicle, regardless of the actual dollar amount of the damage; and

6 (10) "Salvage vehicle" means a motor vehicle which:

7 (a) Is ten (10) model years old or less, as determined by administrative  
8 regulations promulgated by the cabinet pursuant to KRS Chapter 13A; and

9 (b) Has been wrecked, destroyed, or damaged, to the extent that the total  
10 estimated or actual cost of parts and labor to rebuild or reconstruct the  
11 vehicle to its preaccident condition and for legal operation on the roads or  
12 highways, not including the cost of parts and labor to reinstall a deployed  
13 airbag system, exceeds seventy-five percent (75%) of the retail value of the  
14 vehicle, as set forth in a current edition of the National Automobile Dealers  
15 Association price guide, subject to the following provisions:

16 1. The value of repair parts for purposes of this definition shall be  
17 determined by using the current published retail cost of the parts  
18 equal in kind and quality to the parts to be replaced or the actual retail  
19 cost of the repair parts used in repair;

20 2. The labor costs of repairs for purposes of this section shall be  
21 computed by using the hourly labor rate and time allocations which  
22 are reasonable and customary in the automobile repair industry in the  
23 community where the repairs are performed; and

24 3. Airbag reinstallation costs which are excluded from the seventy-five  
25 percent (75%) computation as set forth in this paragraph shall be  
26 included by an insurer in the computation of the total physical  
27 damage estimate according to the terms and conditions of individual

1                    *policies, provided that the total costs payable by an insurer do not*  
2                    *exceed the total retail value of the vehicle.*

3                    ➔ Section 2. 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  
5                    owner of a motor vehicle that meets the~~[ following]~~ definition of a salvage  
6                    vehicle *as set forth in Section 1 of this Act*:

7                    ~~(a) A vehicle which has been wrecked, destroyed, or damaged, to the extent that~~  
8                    ~~the total estimated or actual cost of parts and labor to rebuild or reconstruct~~  
9                    ~~the vehicle to its preaccident condition and for legal operation on the roads or~~  
10                    ~~highways, not including the cost of parts and labor to reinstall a deployed~~  
11                    ~~airbag system, exceeds seventy five percent (75%) of the retail value of the~~  
12                    ~~vehicle, as set forth in a current edition of the National Automobile Dealer's~~  
13                    ~~Association price guide.~~

14                    ~~(b) The value of repair parts for purposes of this definition shall be determined by~~  
15                    ~~using the current published retail cost of the parts equal in kind and quality to~~  
16                    ~~the parts to be replaced or the actual retail cost of the repair parts used in~~  
17                    ~~repair.~~

18                    ~~(c) The labor costs of repairs for purposes of this section shall be computed by~~  
19                    ~~using the hourly labor rate and time allocations which are reasonable and~~  
20                    ~~customary in the automobile repair industry in the community where the~~  
21                    ~~repairs are performed.~~

22                    ~~(d) Airbag reinstallation costs which are excluded from the seventy five percent~~  
23                    ~~(75%) computation as set forth in paragraph (a) of this subsection shall be~~  
24                    ~~included by an insurer in the computation of the total physical damage~~  
25                    ~~estimate according to the terms and conditions of individual policies, provided~~  
26                    ~~that the total costs payable by an insurer do not exceed the total retail value of~~  
27                    ~~the vehicle].~~

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

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

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

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

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

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

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

27          (6) The only time a vehicle with a salvage title may be operated upon the

1 highways of the Commonwealth is when it is in route to or from an inspection  
2 by the certified inspector prior to obtaining a certificate of title after having  
3 been rebuilt as per KRS 186.115.

4 (7) Notwithstanding the provisions of KRS 369.103, when a salvage vehicle is  
5 transferred from an owner to an insurer, the following shall be exempted from  
6 the requirements of notarization, including exemption from the notarization of  
7 electronic signature requirements of KRS Chapter 423:

8 (a) The transfer of ownership on the certificate of title;

9 (b) Any power of attorney required in connection with the transfer of ownership  
10 to the insurer;

11 (c) Any required odometer disclosure statement;

12 (d) The application for a salvage certificate of title; and

13 (e) The transfer of ownership on the salvage certificate of title issued.

14 ➔Section 3. KRS 186A.190 is amended to read as follows:

15 (1) Except as provided in subsection (6) of this section and in KRS 355.9-311(4), the  
16 perfection of a security interest in any property for which has been issued a  
17 Kentucky certificate of title shall be by notation on the certificate of title which shall  
18 be deemed to have occurred when the provisions of subsection (3) of this section  
19 have been complied with. Discharge of a security interest shall be by notation on the  
20 certificate of title. Notation shall be made by the entry of information required by  
21 subsection (9) of this section into the Automated Vehicle Information System. The  
22 notation of the security interest on the certificate of title shall be in accordance with  
23 this chapter and shall remain effective from the date on which the security interest is  
24 noted on the certificate of title for a period of ten (10) years, or, in the case of a  
25 manufactured home, for a period of thirty (30) years, or until discharged under this  
26 chapter and KRS Chapter 186. The filing of a continuation statement within the six  
27 (6) months preceding the expiration of the initial period of a notation's effectiveness

1 extends the expiration date for five (5) additional years, commencing on the day the  
2 notation would have expired in the absence of the filing. Succeeding continuation  
3 statements may be filed in the same manner to continue the effectiveness of the  
4 initial notation.

5 (2) A motor vehicle dealer, a secured party or its representative, an assignee of a retail  
6 installment contract lender, or a county clerk shall rely on a county of residence  
7 designated by the debtor on any approved, notarized state form utilized in lien  
8 titling or the title transfer process signed by the debtor. Reliance on the foregoing by  
9 the motor vehicle dealer, secured parties, and county clerk shall relieve those  
10 persons from liability to any third party claiming failure to comply with this section.

11 (3) Except as provided in subsection (6) of this section, the notation of security interests  
12 relating to property required to be titled under this chapter in Kentucky through the  
13 county clerk shall be done in the office of the county clerk of the county in which  
14 the debtor resides as determined by subsections (2) and (4) of this section. The  
15 security interest shall be deemed to be noted on the certificate of title and perfected,  
16 or deemed perfected at the time the security interest attaches as provided in KRS  
17 355.9-203, if in compliance with KRS 186A.195(5), when a title lien statement:

18 (a) Is received by the county clerk in the county in which residence of the debtor  
19 resides as determined under the provisions of this section together with the  
20 required fees, as designated by the debtor in the sworn statement;

21 (b) Describes the titled vehicle, or vehicle to be titled, by year, model, make, and  
22 vehicle identification number;

23 (c) Provides the name of the secured party, or a representative of the secured  
24 party, together with the additional information about the secured party  
25 required by subsection (9) of this section with reasonable particularity; and

26 (d) Includes the date and time-stamped entry of the notation of the security  
27 interest by the county clerk of the required information in the Automated

1           Vehicle Information System (AVIS), or its successor title processing system  
2           maintained by the Division of Motor Vehicle Licensing of the Transportation  
3           Cabinet.

4 (4) Except as provided in subsection (6) of this section, if the debtor is other than a  
5       natural person, the following provisions govern the determination of the county of  
6       the debtor's residence:

7       (a) A partnership shall be deemed a resident of the county in which its principal  
8           place of business in this state is located. If the debtor does not have a place of  
9           business in this state, then the debtor shall be deemed a nonresident for  
10          purposes of filing in this state;

11       (b) A limited partnership organized under KRS Chapter 362 or as defined in KRS  
12           362.2-102(14) shall be deemed a resident of the county in which its principal  
13           place of business is located, as set forth in its certificate of limited partnership  
14           or most recent amendment thereto filed pursuant to KRS Chapter 362 or  
15           362.2-202. If such office is not located in this state, the debtor shall be  
16           deemed a nonresident for purposes of filing in this state;

17       (c) A limited partnership not organized under the laws of this state and authorized  
18           to do business in this state shall be deemed a resident of the county in which  
19           the office of its process agent is located, as set forth in the designation or most  
20           recent amendment thereto filed with the Secretary of State of the  
21           Commonwealth of Kentucky;

22       (d) A corporation organized under KRS Chapter 271B, 273, or 274 or a limited  
23           liability company organized under KRS Chapter 275 shall be deemed a  
24           resident of the county in which its registered office is located, as set forth in  
25           its most recent corporate filing with the Secretary of State which officially  
26           designates its current registered office;

27       (e) A corporation not organized under the laws of this state, but authorized to

- 1 transact or do business in this state under KRS Chapter 271B, 273, or 274, or  
2 a limited liability company not organized under the laws of this state, but  
3 authorized to transact business in this state under KRS Chapter 275, shall be  
4 deemed a resident of the county in which its registered office is located, as set  
5 forth in its most recent filing with the Secretary of State which officially  
6 designates its current registered office;
- 7 (f) A cooperative corporation or association organized under KRS Chapter 272  
8 shall be deemed a resident of the county in which its principal business is  
9 transacted, as set forth in its articles of incorporation or most recent  
10 amendment thereto filed with the Secretary of State of the Commonwealth of  
11 Kentucky;
- 12 (g) A cooperative corporation organized under KRS Chapter 279 shall be deemed  
13 a resident of the county in which its principal office is located, as set forth in  
14 its articles of incorporation or most recent amendment thereto filed with the  
15 Secretary of State of the Commonwealth of Kentucky;
- 16 (h) A business trust organized under KRS Chapter 386 shall be deemed a resident  
17 of the county in which its principal place of business is located, as evidenced  
18 by the recordation of its declaration of trust in that county pursuant to KRS  
19 Chapter 386;
- 20 (i) A credit union organized under Subtitle 6 of KRS Chapter 286 shall be  
21 deemed a resident of the county in which its principal place of business is  
22 located, as set forth in its articles of incorporation or most recent amendment  
23 thereto filed with the Secretary of State of the Commonwealth of Kentucky;  
24 and
- 25 (j) Any other organization defined in KRS 355.1-201 shall be deemed a resident  
26 of the county in which its principal place of business in this state is located,  
27 except that any limited liability company, limited liability partnership, limited



1 partnership, or corporation not organized under the laws of this state and not  
2 authorized to transact or do business in this state shall be deemed a  
3 nonresident for purposes of filing in this state. If the organization does not  
4 have a place of business in this state, then it shall be deemed a nonresident for  
5 purposes of filing in this state.

6 If the debtor does not reside in the Commonwealth, the notation of the security  
7 interest shall be done in the office of the county clerk in which the property is  
8 principally situated or operated. Notwithstanding the existence of any filed  
9 financing statement under the provisions of KRS Chapter 355 relating to any  
10 property registered or titled in Kentucky, the sole means of perfecting and  
11 discharging a security interest in property for which a certificate of title is required  
12 by this chapter is by notation on the property's certificate of title under the  
13 provisions of this chapter or in accordance with the provisions of KRS 186.045(3).  
14 In other respects the security interest is governed by the provisions of KRS Chapter  
15 355.

16 (5) Except as provided in subsection (6) of this section, before ownership of property  
17 subject to a lien evidenced by notation on the certificate of title may be transferred,  
18 the transferor shall obtain the release of the prior liens in his name against the  
19 property being transferred. Once a security interest has been noted on the owner's  
20 title, a subsequent title shall not be issued by any county clerk free of the notation  
21 unless the owner's title is presented to the clerk and it has been noted thereon that  
22 the security interest has been discharged. If this requirement is met, information  
23 relating to any security interest shown on the title as having been discharged may be  
24 omitted from the title to be issued by the clerk. If information relating to the  
25 discharge of a security interest is presented to a clerk under the provisions of KRS  
26 186.045(3), the clerk shall discharge the security interest and remove the lien  
27 information from AVIS.

1 (6) Notwithstanding subsections (1) to (5) of this section, a county clerk shall,  
2 following inspection of the vehicle by the sheriff, to determine that the vehicle has  
3 not been stolen, issue a new ownership document to a vehicle, clear of all prior  
4 liens, to a person after he or she provides to the county clerk an affidavit devised by  
5 the Transportation Cabinet and completed by the person. The ownership document  
6 presented as a result of this affidavit shall be in accordance with subsection (7) of  
7 this section. In the affidavit, the affiant shall attest that:

8 (a) The affiant or the agent of the affiant possesses the vehicle;  
9 (b) Before he or she provided the notices required by paragraphs (c) and (d) of  
10 this subsection:

11 1. A debt on the vehicle has been owed him or her for more than thirty (30)  
12 days;

13 2. Within thirty (30) days of payment of damages by an insurance company  
14 and receipt by the current owner of the motor vehicle or lienholder of  
15 damages pursuant to a claim settlement which required transfer of the  
16 vehicle to the insurance company, the insurance company has been  
17 unable to obtain:

18 a. A properly endorsed certificate of title on the vehicle from the  
19 current owner; and

20 b. If applicable, any lien satisfactions; or

21 3. a. The vehicle was voluntarily towed or transported pursuant to a  
22 request of the current owner or an insurance company that a motor  
23 vehicle dealer, licensed as a used motor vehicle dealer and motor  
24 vehicle auction dealer, take possession of and store the motor  
25 vehicle in the regular course of business; and

26 b. Within forty-five (45) days of taking possession of the motor  
27 vehicle, the motor vehicle dealer has not been paid storage fees by

1 the current owner or lienholder and has not been provided both a  
2 properly endorsed certificate of title and if applicable, any lien  
3 satisfactions;

4 (c) More than thirty (30) days before presenting the affidavit to the county clerk,  
5 the affiant attempted to notify the owner of the vehicle and all known  
6 lienholders, including those noted on the title, by certified mail, return receipt  
7 requested, or by a nationally recognized courier service, of his or her name,  
8 address, and telephone number as well as his or her intention to obtain a new  
9 title or salvage title, as applicable, clear of all prior liens, unless the owner or a  
10 lienholder objects in writing;

11 (d) More than fourteen (14) days before presenting the affidavit to the county  
12 clerk, the affiant had published a legal notice stating his or her intention to  
13 obtain title to the vehicle. The legal notice appeared at least twice in a seven  
14 (7) day period in a newspaper with circulation in the county. The legal notice  
15 stated:

- 16 1. The affiant's name, address, and telephone number;
- 17 2. The owner's name;
- 18 3. The names of all known lienholders, including those noted on the title;
- 19 4. The vehicle's make, model, and year; and
- 20 5. The affiant's intention to obtain title to the vehicle unless the owner or a  
21 lienholder objects in writing within fourteen (14) days after the last  
22 publication of the legal notice; and

23 (e) Neither the owner nor a lienholder has objected in writing to the affiant's right  
24 to obtain title to the vehicle.

25 (7) (a) If subsection (6)(b)1. of this section applies, the new ownership document  
26 shall be a title.

27 (b) If subsection (6)(b)2. or 3. of this section applies, the new ownership

1 document shall be a salvage title if the vehicle meets the **definition**  
2 **of**~~requirements for~~ a salvage **vehicle as set forth in Section 1 of this**  
3 **Act**~~[title as stated in KRS 186A.520(1)(a)]~~.

4 (c) If subsection (6)(b)2. or 3. of this section applies and the vehicle does not  
5 meet the **definition of**~~requirements for~~ a salvage **vehicle as set forth in**  
6 **Section 1 of this Act**~~[title as stated in KRS 186A.520(1)(a)]~~, the new  
7 ownership document shall be a title.

8 (8) No more than two (2) active security interests may be noted upon a certificate of  
9 title.

10 (9) In noting a security interest upon a certificate of title, the county clerk shall ensure  
11 that the certificate of title bears the lienholder's name, mailing address and zip code,  
12 the date the lien was noted, the notation number, and the county in which the  
13 security interest was noted. The clerk shall obtain the information required by this  
14 subsection for notation upon the certificate of title from the title lien statement  
15 described in KRS 186A.195 to be provided to the county clerk by the secured party.

16 (10) For all the costs incurred in the notation and discharge of a security interest on the  
17 certificate of title, the county clerk shall receive the fee prescribed by KRS 64.012.  
18 The fee prescribed by this subsection shall be paid at the time of submittal of the  
19 title lien statement described in KRS 186A.195.

20 (11) A copy of the application, certified by the county clerk, indicating the lien will be  
21 noted on the certificate of title shall be forwarded to the lienholder.

22 ➔Section 4. KRS 186A.530 is amended to read as follows:

23 (1) The owner of a motor vehicle that meets the definition of a salvage vehicle as set  
24 forth in **Section 1 of this Act**~~[KRS 186A.520(1)]~~ and has been issued a salvage  
25 certificate of title in Kentucky, or the equivalent thereof by another licensing  
26 jurisdiction, and has been rebuilt, may make application for a new certificate of title  
27 pursuant to KRS 186.115. The Transportation Cabinet may promulgate

1 administrative regulations pursuant to KRS Chapter 13A governing the form of  
2 application.

3 (2) Upon receipt of a salvage certificate of title issued pursuant to KRS 186A.520, or  
4 similar title issued by another state if the title does not disqualify the vehicle from  
5 being titled for use on the highway in that state, and proof of passing the inspection  
6 required by KRS 186A.115, the cabinet shall issue a new certificate of title with the  
7 words "rebuilt vehicle" printed on the face of the title. The brand shall be carried  
8 forward and printed in the appropriate section on the face of all titles issued  
9 thereafter for that motor vehicle.

10 (3) If ownership of a motor vehicle has been transferred to an insurance company  
11 through payment of damages, the insurance company making the payment of  
12 damages shall be deemed the owner of the vehicle.

13 (4) The owner of a water damaged vehicle shall make application to the cabinet for a  
14 salvage certificate of title as provided for in KRS 186A.520. The owner of a vehicle  
15 with a brand from another jurisdiction identifying the vehicle as water damaged or  
16 other similar designation who is making application for a Kentucky title shall be  
17 issued a title with the words "water damaged" printed on the face of the title.

18 (5) A Kentucky salvage certificate of title may be issued from an out-of-state junking  
19 certificate or other ownership document bearing a designation of "junk,"  
20 "unrebuildable," or other similar classification that disqualifies the vehicle from  
21 being titled for use on the highway in that state with the following provisions:

22 (a) The out-of-state junking certificate of title or other ownership certificate shall  
23 be an original, secure document.

24 (b) The applicant shall submit a minimum of two (2) photographs of the motor  
25 vehicle showing the damage to the motor vehicle. The photographs shall be  
26 included in the application for a salvage certificate of title.

27 (c) The applicant shall submit a minimum of two (2) estimates of damage

1 verifying that the condition of the vehicle which has been issued the junking  
2 certificate constitutes less than seventy-five percent (75%) of the retail value  
3 of the vehicle, as set forth in a current edition of the National Auto Dealers'  
4 Association N.A.D.A. price guide.

5 (d) A salvage title issued under this subsection shall be branded "SALVAGE."  
6 The Transportation Cabinet shall use a unique method of identification to  
7 differentiate a salvage title issued under this subsection from other salvage  
8 titles.

9 (6) (a) Upon receipt of a salvage certificate of title issued pursuant to subsection (5)  
10 of this section, or an out-of-state junking certificate or other ownership  
11 document bearing a designation of "junk," "unrebuildable," or other similar  
12 classification that disqualifies the vehicle from being titled for use on the  
13 highway in that state, and proof of passing the inspection required by KRS  
14 186A.115, the cabinet shall issue a new certificate of title with the words  
15 "REBUILT VEHICLE" printed on the face of the title. The Transportation  
16 Cabinet shall use a unique method of identification to differentiate a rebuilt  
17 brand issued under this paragraph from other rebuilt brands. The brand shall  
18 be carried forward and printed in the appropriate section on the face of all  
19 titles issued thereafter for that motor vehicle.

20 (b) A person who obtains a rebuilt title under this subsection shall permanently  
21 affix a plate of metallic composition within the opening for the driver's side  
22 door which states "REBUILT VEHICLE - May Not Be Eligible For Title In  
23 All States."

24 (7) (a) When an insurance company makes a claim settlement on a vehicle that has  
25 been stolen and recovered, if the vehicle meets the definition of a salvage  
26 vehicle as set forth in Section 1 of this Act~~[KRS 186A.520]~~, the company  
27 shall apply for a salvage certificate of title as provided for in KRS 186A.520.

1           Upon receipt of this information, the cabinet shall issue the company a  
2           certificate of title to replace a salvage certificate of title. The cabinet shall  
3           promulgate administrative regulations pursuant to KRS Chapter 13A  
4           regarding the forms and any additional information which insurance  
5           companies shall be required to obtain and submit when seeking a certificate of  
6           title to replace a salvage certificate of title.

7           (b) In claim settlements that do not involve transfer of the vehicle to the insurance  
8           company, an insurer shall not render payment on a damage claim for a vehicle  
9           whose damage meets or exceeds seventy-five percent (75%) of the value of  
10          the vehicle, until the insurer has received proof that the owner has surrendered  
11          the title or has applied for a salvage certificate of title as set forth in KRS  
12          186A.520. The owner shall apply for a salvage certificate of title within three  
13          (3) working days of the agreed settlement. This subsection shall not apply to  
14          hail-damaged vehicles under KRS 186A.555.

15          (c) An insurance company shall not refuse coverage to, and shall not reclassify  
16          coverage of, a vehicle that has been issued a rebuilt title pursuant to the  
17          provisions of this section.

18       (8) A motor vehicle owner or a motor vehicle dealer licensed in this state who offers  
19       for sale, trade, or transfer a motor vehicle which carries a title brand, as set forth in  
20       subsection (2) or (6) of this section, shall disclose the nature of the brand to any  
21       prospective buyer or transferee, prior to the sale, and according to the following:

22           (a) Dealer disclosure shall be located on a sticker placed on the vehicle. The  
23           sticker wording shall be printed in at least ten (10) point, bold face type, on a  
24           background of obviously different color, and shall include the following:  
25           "THIS IS A REBUILT VEHICLE." This disclosure information shall not  
26           appear on vehicles that do not have a branded title. Dealer disclosure shall  
27           also be located on a buyer's notification form to be approved by the

1           Transportation Cabinet. The form shall inform the buyer that the vehicle is a  
2           rebuilt vehicle and may include any other information the cabinet deems  
3           necessary.

4           (b) Nondealer disclosure shall be made in accordance with the procedures  
5           provided for in KRS 186A.060. The Department of Vehicle Regulation shall  
6           ensure that disclosure information appears near the beginning of the  
7           application for title and informs the buyer that the vehicle is a rebuilt vehicle.

8           (9) Failure of a dealer to procure the buyer's acknowledgment signature on the buyer's  
9           notification form or failure of any person other than a dealer to procure the buyer's  
10          acknowledgment signature on the vehicle transaction record form shall render the  
11          sale voidable at the election of the buyer. The election to render the sale voidable  
12          shall be limited to forty-five (45) days after issuance of the title. This provision shall  
13          not bar any other remedies otherwise available to the purchaser.

14          (10) The notification provisions of this section shall not apply to motor vehicles more  
15          than ten (10) model years old.

16          (11) The Transportation Cabinet shall promulgate administrative regulations pursuant to  
17          KRS Chapter 13A, regarding the administration of the title branding procedure. The  
18          administrative regulations shall include the manner in which salvage titles and  
19          rebuilt brands on vehicles previously declared unbuildable by another state are  
20          differentiated from other salvage titles and rebuilt brands. The administrative  
21          regulations may include designation of additional brands which provide significant  
22          information to the owner.