

**As Reported by the Senate Insurance, Commerce and Labor  
Committee**

**129th General Assembly  
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**Sub. S. B. No. 273**

**Senator Faber**

**Cosponsors: Senators Daniels, Hite, Lehner, Manning, Eklund, Widener,  
Wagoner, Burke, Jones, Balderson, Tavares, Jordan, Brown, Skindell, Bacon**

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**A B I L L**

To amend sections 505.871, 4501.25, 4505.061, 1  
4505.11, 4738.01, 4738.02, 4738.03, 4738.17, and 2  
4738.99, to enact sections 3937.19, 4505.103, 3  
4738.021, 4738.022, 4738.023, and 4738.031, and to 4  
repeal section 4738.18 of the Revised Code to 5  
permit property owners to dispose of junk motor 6  
vehicles to a motor vehicle salvage dealer or 7  
scrap metal facility without a salvage certificate 8  
of title, to permit a motor vehicle salvage dealer 9  
or scrap metal processing facility to obtain a 10  
salvage certificate of title to a junk motor 11  
vehicle under certain circumstances, to permit 12  
salvage motor vehicle auctions and pools to 13  
auction and sell salvage motor vehicles to persons 14  
other than motor vehicle salvage dealers, to 15  
permit a person whose acquisition and disposal of 16  
salvage motor vehicles is incidental to the 17  
person's primary business to sell salvage motor 18  
vehicles at retail to or through a salvage motor 19  
vehicle auction or pool, to require salvage motor 20  
vehicle auctions and pools to keep an electronic 21

record of all sales of salvage motor vehicles, and 22  
to make other changes in the motor vehicle salvage 23  
dealer law. 24

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 505.871, 4501.25, 4505.061, 4505.11, 25  
4738.01, 4738.02, 4738.03, 4738.17, and 4738.99 be amended and 26  
sections 3937.19, 4505.103, 4738.021, 4738.022, 4738.023, and 27  
4738.031 of the Revised Code be enacted to read as follows: 28

**Sec. 505.871.** (A) A board of township trustees may provide, 29  
by resolution, for the removal of any vehicle in the 30  
unincorporated territory of the township that the board determines 31  
is a junk motor vehicle, as defined in section 505.173 of the 32  
Revised Code. 33

(B) If a junk motor vehicle is located on public property, 34  
the board of township trustees may provide in the resolution for 35  
the immediate removal of the vehicle. 36

(C)(1) If a junk motor vehicle is located on private 37  
property, the board of township trustees may provide in the 38  
resolution for the removal of the vehicle not sooner than fourteen 39  
days after the board serves written notice of its intention to 40  
remove or cause the removal of the vehicle on the owner of the 41  
land and any holders of liens of record on the land. 42

(2) The notice provided under this division shall generally 43  
describe the vehicle to be removed and indicate all of the 44  
following: 45

(a) The board has determined that the vehicle is a junk motor 46  
vehicle. 47

(b) If the owner of the land fails to remove the vehicle 48

within fourteen days after service of the notice, the board may 49  
remove or cause the removal of the vehicle. 50

(c) Any expenses the board incurs in removing or causing the 51  
removal of the vehicle may be entered upon the tax duplicate and 52  
become a lien upon the land from the date of entry. 53

(3) The board shall serve the notice under this division by 54  
sending it by certified mail, return receipt requested, to the 55  
owner of the land, if the owner resides in the unincorporated 56  
territory of the township or if the owner resides outside the 57  
unincorporated territory of the township and the owner's address 58  
is known or ascertainable through an exercise of reasonable 59  
diligence. The board also shall send notice in such manner to any 60  
holders of liens of record on the land. If a notice sent by 61  
certified mail is refused or unclaimed, or if an owner's address 62  
is unknown and cannot reasonably be ascertained by an exercise of 63  
reasonable diligence, the board shall publish the notice once in a 64  
newspaper of general circulation in the township before the 65  
removal of the vehicle, and, if the land contains any structures, 66  
the board also shall post the notice on the principal structure on 67  
the land. 68

A notice sent by certified mail shall be deemed to be served 69  
for purposes of this section on the date it was received as 70  
indicated by the date on a signed return receipt. A notice given 71  
by publication shall be deemed to be served for purposes of this 72  
section on the date of the newspaper publication. 73

(D) The board of township trustees may cause the removal or 74  
may employ the labor, materials, and equipment necessary to remove 75  
a junk motor vehicle under this section. All expenses incurred in 76  
removing or causing the removal of a junk motor vehicle, when 77  
approved by the board, shall be paid out of the township general 78  
fund from moneys not otherwise appropriated, except that if the 79  
expenses exceed five hundred dollars, the board may borrow moneys 80

from a financial institution to pay the expenses in whole or in part. 81  
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(E) The board of township trustees may utilize any lawful means to collect the expenses incurred in removing or causing the removal of a junk motor vehicle under this section, including any fees or interest paid to borrow moneys under division (D) of this section. The board may direct the township fiscal officer to certify the expenses and a description of the land to the county auditor, who shall place the expenses upon the tax duplicate as a lien upon the land to be collected as other taxes and returned to the township general fund. 83  
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(F)(1) As used in this division: 92

(a) "Motor vehicle salvage dealer" has the same meaning as in section 4738.01 of the Revised Code. 93  
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(b) "Scrap metal processing facility" has the same meaning as in section 4737.05 of the Revised Code. 95  
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(2) Notwithstanding section 4513.63 of the Revised Code, the clerk of courts of the county where a junk motor vehicle that is removed and disposed of in accordance with this section shall issue a salvage certificate of title for that junk motor vehicle to a motor vehicle salvage dealer licensed pursuant to Chapter 4738. of the Revised Code or a scrap metal processing facility licensed pursuant to sections 4737.05 to 4737.12 of the Revised Code if all of the following conditions are satisfied: 97  
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(a) The board of township trustees has entered into a contract with the motor vehicle salvage dealer or scrap metal processing facility for the disposal or removal of the junk motor vehicle in accordance with section 505.85 of the Revised Code. 105  
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(b) The fiscal officer for the board of township trustees executes in triplicate an affidavit prescribed by the registrar of motor vehicles describing the junk motor vehicle and the manner of 109  
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removal or disposal and certifying that all requirements of this 112  
section and the notice and records search requirements of section 113  
4505.101 of the Revised Code have been satisfied. 114

(c) The board of township trustees retains the original 115  
affidavit for the board's records and furnishes the remaining two 116  
copies of the affidavit to the motor vehicle salvage dealer or 117  
scrap metal processing facility. 118

(d) The motor vehicle salvage dealer or scrap metal 119  
processing facility presents one copy of the affidavit to the 120  
clerk. 121

(3) The clerk shall issue the salvage certificate of title, 122  
free and clear of all liens and encumbrances, not later than 123  
thirty days after the motor vehicle salvage dealer or scrap metal 124  
processing facility presents the affidavit pursuant to division 125  
(F)(2) of this section. 126

(G) Notwithstanding section 4513.65 of the Revised Code, but 127  
subject to division ~~(G)~~(H)(2) of this section, any collector's 128  
vehicle that meets the definition of a junk motor vehicle is 129  
subject to removal under this section. 130

~~(G)~~(H)(1) Nothing in this section affects the authority of a 131  
board of township trustees to adopt and enforce resolutions under 132  
section 505.173 of the Revised Code to regulate the storage of 133  
junk motor vehicles on private or public property in the 134  
unincorporated territory of the township. 135

(2) A resolution adopted under this section is subject to the 136  
same restrictions specified in division (A) of section 505.173 of 137  
the Revised Code for resolutions adopted under that section. 138

**Sec. 3937.19. If a person purchases a motor vehicle in good** 139  
**faith, if the purchaser is subsequently permanently divested of** 140  
**the right of ownership or possession to that motor vehicle because** 141

a court or other law enforcement entity has determined that the 142  
certificate of title or vehicle identification number has been 143  
falsified or otherwise tampered with or that the motor vehicle was 144  
stolen, and if the purchaser has insurance coverage on the motor 145  
vehicle that covers damage to or the loss of the motor vehicle, 146  
the purchaser may submit a claim to the purchaser's insurance 147  
company for the loss of the motor vehicle. 148

An insurance company that holds a current policy on a motor 149  
vehicle that covers damage to or the loss of the vehicle for which 150  
a claim is made under this division shall pay the claim in an 151  
amount not less than the value of the motor vehicle at the time 152  
the purchaser was divested of ownership or possession and not 153  
greater than the amount for which the vehicle was insured. 154

**Sec. 4501.25.** There is hereby created in the state treasury 155  
the state bureau of motor vehicles fund. The fund shall consist of 156  
all money collected by the registrar of motor vehicles, including 157  
taxes, fees, and fines levied, charged, or referred to in Chapters 158  
4501., 4503., 4505., 4506., 4507., 4509., 4510., 4511., 4517., 159  
4519., and 4521., and sections ~~3123.59~~, 2935.27, 2937.221, 160  
~~3123.59~~, 4738.06, and 4738.13, ~~and 4738.18~~ of the Revised Code 161  
unless otherwise designated by law. The fund shall be used to pay 162  
the expenses of administering the law relative to the powers and 163  
duties of the registrar of motor vehicles. All investment earnings 164  
of the fund shall be retained by the fund. 165

**Sec. 4505.061.** If the application for a certificate of title 166  
refers to a motor vehicle last previously registered in another 167  
state, the application shall be accompanied by a physical 168  
inspection certificate issued by the department of public safety 169  
verifying the make, body type, model, and manufacturer's vehicle 170  
identification number of the motor vehicle for which the 171

certificate of title is desired. The physical inspection 172  
certificate shall be in such form as is designated by the 173  
registrar of motor vehicles. The physical inspection of the motor 174  
vehicle shall be made at a deputy registrar's office, or at an 175  
established place of business operated by a licensed motor vehicle 176  
dealer. Additionally, the physical inspection of a salvage vehicle 177  
owned by an insurance company may be made at an established place 178  
of business operated by a ~~salvage~~ motor vehicle salvage dealer, 179  
salvage motor vehicle auction, or salvage motor vehicle pool 180  
licensed under Chapter 4738. of the Revised Code. The deputy 181  
registrar, ~~the~~ motor vehicle dealer, ~~or the salvage~~ motor vehicle 182  
salvage dealer, salvage motor vehicle auction, or salvage motor 183  
vehicle pool may charge a maximum fee of ~~two dollars and~~ 184  
~~seventy five cents commencing on July 1, 2001, three dollars and~~ 185  
~~twenty five cents commencing on January 1, 2003, and three dollars~~ 186  
and fifty cents ~~commencing on January 1, 2004,~~ for conducting the 187  
physical inspection. 188

The clerk of the court of common pleas shall charge a fee of 189  
one dollar and fifty cents for the processing of each physical 190  
inspection certificate. The clerk shall retain fifty cents of the 191  
one dollar and fifty cents so charged and shall pay the remaining 192  
one dollar to the registrar by monthly returns, which shall be 193  
forwarded to the registrar not later than the fifth day of the 194  
month next succeeding that in which the certificate is received by 195  
the clerk. The registrar shall pay such remaining sums into the 196  
state bureau of motor vehicles fund established by section 4501.25 197  
of the Revised Code. 198

**Sec. 4505.103.** (A) As used in this section: 199

(1) "Junk motor vehicle" means any motor vehicle meeting all 200  
of the following requirements: 201

(a) Is three years old, or older; 202

<u>(b) Is extensively damaged, such damage including any of the</u>	203
<u>following: missing wheels, tires, engine, motor, or transmission;</u>	204
<u>(c) Is apparently inoperable;</u>	205
<u>(d) Has a fair market value of one thousand five hundred</u>	206
<u>dollars or less.</u>	207
<u>(2) "Property owner" means the owner of private property or a</u>	208
<u>person with the right to possession of the private property.</u>	209
<u>(B) A property owner on whose property is located a junk</u>	210
<u>motor vehicle and for which vehicle a certificate of title has not</u>	211
<u>been issued in the name of the property owner may dispose of such</u>	212
<u>junk motor vehicle to a motor vehicle salvage dealer or scrap</u>	213
<u>metal processing facility solely for the purpose of destruction of</u>	214
<u>the junk motor vehicle by complying with this section.</u>	215
<u>(C)(1) In order to dispose of a junk motor vehicle under this</u>	216
<u>section, the property owner first shall conduct a search of the</u>	217
<u>records of the bureau of motor vehicles to determine the owner of</u>	218
<u>the junk motor vehicle and whether there are any outstanding liens</u>	219
<u>on the junk motor vehicle. The property owner shall send a notice</u>	220
<u>to the owner of the junk motor vehicle by certified mail, return</u>	221
<u>receipt requested, stating the location of the junk motor vehicle</u>	222
<u>and its value, and informing the owner that unless the owner</u>	223
<u>claims the junk motor vehicle within fifteen days from the mailing</u>	224
<u>of the notice, the property owner will dispose of the junk motor</u>	225
<u>vehicle to a motor vehicle salvage dealer or scrap metal</u>	226
<u>processing facility and the junk motor vehicle will be destroyed.</u>	227
<u>If the search of the records of the bureau reveals that there</u>	228
<u>is an outstanding lien on the junk motor vehicle, the property</u>	229
<u>owner also shall send a notice to the lienholder by certified</u>	230
<u>mail, return receipt requested, stating the location of the junk</u>	231
<u>motor vehicle and its value, and informing the lienholder that</u>	232
<u>unless the lienholder claims the junk motor vehicle within fifteen</u>	233



days from the mailing of the notice, the lienholder's lien shall 234  
be invalid and the property owner will dispose of the junk motor 235  
vehicle to a motor vehicle salvage dealer or scrap metal 236  
processing facility and the junk motor vehicle will be destroyed. 237

(2) If the motor vehicle remains unclaimed by the owner and 238  
lienholder for fifteen days after the mailing of the notice, and 239  
the property owner has received the signed receipt from the 240  
certified mail or has been notified that delivery was not 241  
possible, the property owner shall obtain from the bureau or a 242  
deputy registrar a property owner junk motor vehicle affidavit. 243  
The bureau shall prescribe the affidavit. 244

(3) If no part of a junk motor vehicle described in division 245  
(B) of this section contains a vehicle identification number, the 246  
property owner shall not be required to comply with the notice 247  
requirements prescribed in divisions (C)(1) and (2) of this 248  
section. 249

(D)(1) Except as provided in division (D)(2) of this section, 250  
the property owner shall submit the completed property owner junk 251  
motor vehicle affidavit, a fee of five dollars, and the following 252  
items to the bureau: 253

(a) A photo or pencil tracing of the vehicle identification 254  
number plate of the junk motor vehicle; 255

(b) Not less than five color photographs of the junk motor 256  
vehicle; 257

(c) Certified mailing receipts of notification to the owner 258  
of the junk motor vehicle and all lienholders; 259

(d) A copy of the letter sent to the owner of the junk motor 260  
vehicle and all lienholders, notifying them that the property 261  
owner intends to dispose of the junk motor vehicle; 262

(e) The property owner junk motor vehicle affidavit, signed 263

and notarized; 264

(f) Any other items the registrar of motor vehicles 265  
determines are necessary. 266

(2) In the case of a junk motor vehicle of which no part 267  
contains a vehicle identification number and the property owner 268  
otherwise does not know the identity of the owner of the junk 269  
motor vehicle, the property owner shall submit the completed 270  
property owner junk motor vehicle affidavit, a fee of five 271  
dollars, and the following items to the bureau: 272

(a) Not less than seven color photographs of the junk motor 273  
vehicle; 274

(b) An affidavit signed by a motor vehicle mechanic certified 275  
by a nationally recognized organization that certifies motor 276  
vehicle mechanics, stating that no part of the junk motor vehicle 277  
contains a vehicle identification number. The bureau shall 278  
prescribe the affidavit. 279

(c) The property owner junk motor vehicle affidavit, signed 280  
and notarized; 281

(d) Any other items the registrar of motor vehicles 282  
determines are necessary. 283

(E) The bureau shall review the property owner junk motor 284  
vehicle affidavit and items submitted by the property owner. If 285  
the bureau approves the affidavit, the bureau shall issue to the 286  
property owner a letter of authorization to scrap a junk motor 287  
vehicle located on private property. The bureau shall send the 288  
letter of authorization and property owner junk motor vehicle 289  
affidavit to the property owner but shall retain the items listed 290  
in divisions (D)(1)(a) to (d) and (f) or (D)(2)(a), (b), and (d) 291  
of this section for a period of three years. After three years, 292  
the bureau may destroy the items. 293

The property owner shall present the letter of authorization 294  
and property owner junk motor vehicle affidavit to a motor vehicle 295  
salvage dealer or scrap metal processing facility licensed by this 296  
state. Upon receipt of the junk motor vehicle, the letter of 297  
authorization, and property owner junk motor vehicle affidavit, 298  
the motor vehicle salvage dealer or scrap metal processing 299  
facility shall destroy the junk motor vehicle. The motor vehicle 300  
salvage dealer or scrap metal processing facility shall retain the 301  
letter of authorization and property owner junk motor vehicle 302  
affidavit for a period of three years. After three years, the 303  
dealer or facility may destroy the letter and affidavit. 304

(F) The fair market value of a junk motor vehicle shall be 305  
determined in accordance with standards fixed by the registrar. 306

(G) The bureau shall deposit all fees the bureau receives 307  
under this section into the state treasury to the credit of the 308  
state bureau of motor vehicles fund created by section 4501.25 of 309  
the Revised Code. 310

(H)(1)(a) No person shall submit to the bureau false, 311  
fraudulent, or altered items as described in divisions (D)(1)(a) 312  
to (d) and (f) or (D)(2)(a), (b), and (d) of this section or a 313  
property owner junk motor vehicle affidavit that contains false, 314  
fraudulent, or misleading information. 315

(b) No person shall sign an affidavit described in division 316  
(D)(2)(b) of this section, knowing or having reason to know that 317  
the affidavit contains false, fraudulent, or misleading 318  
information. 319

(c) No motor vehicle salvage dealer or scrap metal processing 320  
facility that receives a junk motor vehicle under this section 321  
shall take any action relative to the vehicle other than to 322  
destroy it. 323

(2) Whoever violates division (H)(1)(a), (b), or (c) of this 324

section is guilty of a felony of the third degree. 325

**Sec. 4505.11.** (A) Each owner of a motor vehicle and each 326  
person mentioned as owner in the last certificate of title, when 327  
the motor vehicle is dismantled, destroyed, or changed in such 328  
manner that it loses its character as a motor vehicle, or changed 329  
in such manner that it is not the motor vehicle described in the 330  
certificate of title, shall surrender the certificate of title to 331  
that motor vehicle to a clerk of a court of common pleas, and the 332  
clerk, with the consent of any holders of any liens noted on the 333  
certificate of title, then shall enter a cancellation upon the 334  
clerk's records and shall notify the registrar of motor vehicles 335  
of the cancellation. 336

Upon the cancellation of a certificate of title in the manner 337  
prescribed by this section, any clerk and the registrar of motor 338  
vehicles may cancel and destroy all certificates and all 339  
memorandum certificates in that chain of title. 340

(B)(1) If an Ohio certificate of title or salvage certificate 341  
of title to a motor vehicle is assigned to a salvage dealer, the 342  
dealer is not required to obtain an Ohio certificate of title or a 343  
salvage certificate of title to the motor vehicle in the dealer's 344  
own name if the dealer dismantles or destroys the motor vehicle, 345  
indicates the number of the dealer's motor vehicle salvage 346  
dealer's license on it, marks "FOR DESTRUCTION" across the face of 347  
the certificate of title or salvage certificate of title, and 348  
surrenders the certificate of title or salvage certificate of 349  
title to a clerk of a court of common pleas as provided in 350  
division (A) of this section. If the salvage dealer retains the 351  
motor vehicle for resale, the dealer shall make application for a 352  
salvage certificate of title to the motor vehicle in the dealer's 353  
own name as provided in division (C)(1) of this section. 354

(2) At the time any salvage motor vehicle is sold at auction 355

or through a pool, the salvage motor vehicle auction or salvage 356  
motor vehicle pool shall give a copy of the certificate of salvage 357  
title or a copy of the certificate of title marked "FOR 358  
DESTRUCTION" to the purchaser. 359

(C)(1) When an insurance company declares it economically 360  
impractical to repair such a motor vehicle and has paid an agreed 361  
price for the purchase of the motor vehicle to any insured or 362  
claimant owner, the insurance company shall receive the 363  
certificate of title and the motor vehicle and proceed as follows. 364  
Within thirty days, the insurance company shall deliver the 365  
certificate of title to a clerk of a court of common pleas and 366  
shall make application for a salvage certificate of title. The 367  
clerk shall issue the salvage certificate of title on a form, 368  
prescribed by the registrar, that shall be easily distinguishable 369  
from the original certificate of title and shall bear the same 370  
information as the original certificate of title except that it 371  
may bear a different number than that of the original certificate 372  
of title. Except as provided in division (C)(2) of this section, 373  
the salvage certificate of title shall be assigned by the 374  
insurance company to a salvage dealer or any other person for use 375  
as evidence of ownership upon the sale or other disposition of the 376  
motor vehicle, and the salvage certificate of title shall be 377  
transferrable to any other person. The clerk shall charge a fee of 378  
four dollars for the cost of processing each salvage certificate 379  
of title. 380

(2) If an insurance company considers a motor vehicle as 381  
described in division (C)(1) of this section to be impossible to 382  
restore for highway operation, the insurance company may assign 383  
the certificate of title to the motor vehicle to a salvage dealer 384  
or scrap metal processing facility and send the assigned 385  
certificate of title to the clerk of the court of common pleas of 386  
any county. The insurance company shall mark the face of the 387

certificate of title "FOR DESTRUCTION" and shall deliver a 388  
photocopy of the certificate of title to the salvage dealer or 389  
scrap metal processing facility for its records. 390

(3) If an insurance company declares it economically 391  
impractical to repair a motor vehicle, agrees to pay to the 392  
insured or claimant owner an amount in settlement of a claim 393  
against a policy of motor vehicle insurance covering the motor 394  
vehicle, and agrees to permit the insured or claimant owner to 395  
retain possession of the motor vehicle, the insurance company 396  
shall not pay the insured or claimant owner any amount in 397  
settlement of the insurance claim until the owner obtains a 398  
salvage certificate of title to the vehicle and furnishes a copy 399  
of the salvage certificate of title to the insurance company. 400

(D) When a self-insured organization, rental or leasing 401  
company, or secured creditor becomes the owner of a motor vehicle 402  
that is burned, damaged, or dismantled and is determined to be 403  
economically impractical to repair, the self-insured organization, 404  
rental or leasing company, or secured creditor shall do one of the 405  
following: 406

(1) Mark the face of the certificate of title to the motor 407  
vehicle "FOR DESTRUCTION" and surrender the certificate of title 408  
to a clerk of a court of common pleas for cancellation as 409  
described in division (A) of this section. The self-insured 410  
organization, rental or leasing company, or secured creditor then 411  
shall deliver the motor vehicle, together with a photocopy of the 412  
certificate of title, to a salvage dealer or scrap metal 413  
processing facility and shall cause the motor vehicle to be 414  
dismantled, flattened, crushed, or destroyed. 415

(2) Obtain a salvage certificate of title to the motor 416  
vehicle in the name of the self-insured organization, rental or 417  
leasing company, or secured creditor, as provided in division 418  
(C)(1) of this section, and then sell or otherwise dispose of the 419

motor vehicle. If the motor vehicle is sold, the self-insured 420  
organization, rental or leasing company, or secured creditor shall 421  
obtain a salvage certificate of title to the motor vehicle in the 422  
name of the purchaser from a clerk of a court of common pleas. 423

(E) If a motor vehicle titled with a salvage certificate of 424  
title is restored for operation upon the highways, application 425  
shall be made to a clerk of a court of common pleas for a 426  
certificate of title. Upon inspection by the state highway patrol, 427  
which shall include establishing proof of ownership and an 428  
inspection of the motor number and vehicle identification number 429  
of the motor vehicle and of documentation or receipts for the 430  
materials used in restoration by the owner of the motor vehicle 431  
being inspected, which documentation or receipts shall be 432  
presented at the time of inspection, the clerk, upon surrender of 433  
the salvage certificate of title, shall issue a certificate of 434  
title for a fee prescribed by the registrar. The certificate of 435  
title shall be in the same form as the original certificate of 436  
title and shall bear the words "REBUILT SALVAGE" in black boldface 437  
letters on its face. Every subsequent certificate of title, 438  
memorandum certificate of title, or duplicate certificate of title 439  
issued for the motor vehicle also shall bear the words "REBUILT 440  
SALVAGE" in black boldface letters on its face. The exact location 441  
on the face of the certificate of title of the words "REBUILT 442  
SALVAGE" shall be determined by the registrar, who shall develop 443  
an automated procedure within the automated title processing 444  
system to comply with this division. The clerk shall use 445  
reasonable care in performing the duties imposed on the clerk by 446  
this division in issuing a certificate of title pursuant to this 447  
division, but the clerk is not liable for any of the clerk's 448  
errors or omissions or those of the clerk's deputies, or the 449  
automated title processing system in the performance of those 450  
duties. A fee of fifty dollars shall be assessed by the state 451  
highway patrol for each inspection made pursuant to this division 452

and shall be deposited into the state highway safety fund 453  
established by section 4501.06 of the Revised Code. 454

(F) No person shall operate upon the highways in this state a 455  
motor vehicle, title to which is evidenced by a salvage 456  
certificate of title, except to deliver the motor vehicle pursuant 457  
to an appointment for an inspection under this section. 458

(G) No motor vehicle the certificate of title to which has 459  
been marked "FOR DESTRUCTION" and surrendered to a clerk of a 460  
court of common pleas shall be used for anything except parts and 461  
scrap metal. 462

(H)(1) Except as otherwise provided in this division, an 463  
owner of a manufactured or mobile home that will be taxed as real 464  
property pursuant to division (B) of section 4503.06 of the 465  
Revised Code shall surrender the certificate of title to the 466  
auditor of the county containing the taxing district in which the 467  
home is located. An owner whose home qualifies for real property 468  
taxation under divisions (B)(1)(a) and (b) of section 4503.06 of 469  
the Revised Code shall surrender the certificate within fifteen 470  
days after the home meets the conditions specified in those 471  
divisions. The auditor shall deliver the certificate of title to 472  
the clerk of the court of common pleas who issued it. 473

(2) If the certificate of title for a manufactured or mobile 474  
home that is to be taxed as real property is held by a lienholder, 475  
the lienholder shall surrender the certificate of title to the 476  
auditor of the county containing the taxing district in which the 477  
home is located, and the auditor shall deliver the certificate of 478  
title to the clerk of the court of common pleas who issued it. The 479  
lienholder shall surrender the certificate within thirty days 480  
after both of the following have occurred: 481

(a) The homeowner has provided written notice to the 482  
lienholder requesting that the certificate of title be surrendered 483



to the auditor of the county containing the taxing district in 484  
which the home is located. 485

(b) The homeowner has either paid the lienholder the 486  
remaining balance owed to the lienholder, or, with the 487  
lienholder's consent, executed and delivered to the lienholder a 488  
mortgage on the home and land on which the home is sited in the 489  
amount of the remaining balance owed to the lienholder. 490

(3) Upon the delivery of a certificate of title by the county 491  
auditor to the clerk, the clerk shall inactivate it and maintain 492  
it in the automated title processing system for a period of thirty 493  
years. 494

(4) Upon application by the owner of a manufactured or mobile 495  
home that is taxed as real property pursuant to division (B) of 496  
section 4503.06 of the Revised Code and that no longer satisfies 497  
divisions (B)(1)(a) and (b) or divisions (B)(2)(a) and (b) of that 498  
section, the clerk shall reactivate the record of the certificate 499  
of title that was inactivated under division (H)(3) of this 500  
section and shall issue a new certificate of title, but only if 501  
the application contains or has attached to it all of the 502  
following: 503

(a) An endorsement of the county treasurer that all real 504  
property taxes charged against the home under Title LVII of the 505  
Revised Code and division (B) of section 4503.06 of the Revised 506  
Code for all preceding tax years have been paid; 507

(b) An endorsement of the county auditor that the home will 508  
be removed from the real property tax list; 509

(c) Proof that there are no outstanding mortgages or other 510  
liens on the home or, if there are such mortgages or other liens, 511  
that the mortgagee or lienholder has consented to the reactivation 512  
of the certificate of title. 513

(I)(1) Whoever violates division (F) of this section shall be 514

fined not more than two thousand dollars, imprisoned not more than 515  
one year, or both. 516

(2) Whoever violates division (G) of this section shall be 517  
fined not more than one thousand dollars, imprisoned not more than 518  
six months, or both. 519

**Sec. 4738.01.** As used in sections 4738.01 to 4738.16 of the 520  
Revised Code: 521

(A) "Motor vehicle salvage dealer" means any person who 522  
engages in business primarily for the purpose of selling salvage 523  
motor vehicle parts and secondarily for the purpose of selling at 524  
retail salvage motor vehicles or manufacturing or selling a 525  
product of gradable scrap metal. 526

(B) "Salvage motor vehicle" means any motor vehicle which is 527  
in a wrecked, dismantled, or worn out condition, or unfit for 528  
operation as a motor vehicle. 529

(C) "Salvage motor vehicle auction" means any person who on 530  
~~his own~~ the person's behalf or as an agent for a third party 531  
engages in business for the purpose of auctioning salvage motor 532  
vehicles ~~to motor vehicle salvage dealers.~~ 533

(D) "Salvage motor vehicle pool" means any person who as an 534  
agent for a third party engages in business for the purpose of 535  
storing, displaying, and offering for sale salvage motor vehicles 536  
~~to motor vehicle salvage dealers.~~ 537

(E) "Engaging in business" means commencing, conducting, or 538  
continuing in business, or liquidating a business when the 539  
liquidator thereof holds ~~himself~~ the liquidator out to be 540  
conducting such business; making a casual sale or otherwise making 541  
transfers in the ordinary course of business when the transfers 542  
are made in connection with the disposition of all or 543  
substantially all of the transferor's assets is not engaging in 544

business. 545

(F) "Retail sale" or "sale at retail" means the act or 546  
attempted act of selling, bartering, exchanging, or otherwise 547  
disposing of salvage motor vehicles or salvage motor vehicle parts 548  
to ~~an ultimate purchaser~~ a person who purchases the salvage motor 549  
vehicle for use as a consumer. 550

(G) "~~Ultimate Authorized purchaser~~" means, ~~with respect to~~ 551  
~~any~~ a person who intends to purchase a salvage motor vehicle or 552  
from a salvage motor vehicle part, a purchaser who in good faith 553  
purchases such auction or salvage motor vehicle or part pool for 554  
purposes other than resale and is not licensed as a motor vehicle 555  
dealer under Chapter 4517. of the Revised Code, and who satisfies 556  
any of the following criteria: 557

(1) The person is a motor vehicle salvage dealer who is 558  
licensed pursuant to this chapter; a junk yard that is licensed 559  
pursuant to section 4737.07 of the Revised Code; a scrap metal 560  
processing facility that is licensed pursuant to section 4737.05 561  
of the Revised Code; is a salvage dismantler or automotive 562  
recycler; or is licensed or otherwise authorized to purchase 563  
salvage motor vehicles and is regulated by another state, country, 564  
or jurisdiction. 565

(2) The person is a used motor vehicle dealer who is either 566  
licensed pursuant to section 4517.02 of the Revised Code or is 567  
licensed or otherwise authorized to do business as a used motor 568  
vehicle dealer and is regulated by another state, country, or 569  
jurisdiction. 570

(3) The person does not satisfy the criteria described in 571  
division (G)(1) or (2) of this section but holds a valid federal 572  
tax identification number or other verifiable documentation 573  
evidencing that the person is authorized by this state or the 574  
federal government to do business in this state and has purchased 575

fewer than a total of seven salvage motor vehicles in the current 576  
calendar year from any salvage motor vehicle auction or salvage 577  
motor vehicle pool. 578

(4) The person does not satisfy the criteria described in 579  
division (G)(1) or (2) of this section but has purchased fewer 580  
than a total of five salvage motor vehicles in the current 581  
calendar year from any salvage motor vehicle auction or salvage 582  
motor vehicle pool. 583

(H) "Business" includes any activities engaged in by any 584  
person for the object of gain, benefit, or advantage either direct 585  
or indirect. 586

(I) "Casual sale" means any transfer of a salvage motor 587  
vehicle by a person other than a motor vehicle salvage dealer, 588  
salvage motor vehicle auction, or salvage motor vehicle pool, to 589  
an ultimate purchaser a person who purchases the salvage motor 590  
vehicle for use as a consumer. 591

**Sec. 4738.02.** (A) Except as provided in divisions (B) and 592  
~~(D)~~(E) of this section, no person shall engage in the business of 593  
selling at retail ~~salvage motor vehicles or~~ salvage motor vehicle 594  
parts, ~~or assume to engage in any such business~~ without first 595  
obtaining a motor vehicle salvage dealer's license pursuant to 596  
this chapter. 597

(B)(1) Except as provided in divisions ~~(B)(1) and (C)(1)~~ of 598  
~~section 4738.03 of the Revised Code and (E) of this section,~~ no 599  
person shall engage in the business of selling at retail salvage 600  
motor vehicles nor, other than as a lessor, provide a location or 601  
a space for the sale of salvage motor vehicles without first 602  
obtaining a motor vehicle salvage dealer's license, a salvage 603  
motor vehicle auction license, or a salvage motor vehicle pool 604  
license pursuant to this chapter. 605

(2) Notwithstanding division (B)(1) of this section, a person may sell salvage motor vehicles at retail to or through a salvage motor vehicle auction or salvage motor vehicle pool without obtaining any license pursuant to this chapter if the acquisition of salvage motor vehicles is incidental to the primary business of the person and the disposal of those salvage motor vehicles is incidental to the primary business of the person. 606  
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~~(C) No person shall make more than five casual sales of salvage motor vehicles in a twelve-month period, commencing with the day of the month in which the first such sale is made, nor provide a location or space for the sale at retail of salvage motor vehicles, without obtaining a motor vehicle salvage dealer's license pursuant to this chapter calendar year.~~ 613  
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~~(C)(D) Except as provided in division (D)(E) of this section, no person shall operate as a salvage motor vehicle auction or salvage motor vehicle pool without first obtaining the appropriate license pursuant to this chapter.~~ 619  
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~~(D)(E) In case of the dissolution of a partnership by death, the surviving partner may operate under any license obtained by the partnership pursuant to this chapter for a period of sixty days and the heirs or representatives of deceased persons and receivers or trustees in bankruptcy appointed by any competent authority may operate under the license of the person succeeded in possession by the heir, representative, receiver, or trustee in bankruptcy.~~ 623  
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~~(E)(F) Nothing in this chapter applies to any public officer performing his official duties.~~ 631  
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**Sec. 4738.021.** (A)(1) Every salvage motor vehicle auction and salvage motor vehicle pool shall keep an electronic record of all sales of salvage motor vehicles and shall include in the record the make, model, year, vehicle identification number, and the 633  
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names and addresses of the purchaser and seller of the salvage motor vehicle. 637  
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(2) In addition to the information collected pursuant to division (A)(1) of this section, every salvage motor vehicle auction and salvage motor vehicle pool shall obtain from any authorized purchaser of an Ohio salvage motor vehicle a copy of a driver's license, passport, or other government-issued identification. Every salvage motor vehicle auction and salvage motor vehicle pool shall maintain a copy of this identification for a period of two years. 639  
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(3) In addition to the information collected pursuant to divisions (A)(1) and (2) of this section, every salvage motor vehicle auction and salvage motor vehicle pool shall obtain from any person who is an authorized purchaser as defined in division (G)(1) or (2) of section 4738.01 of the Revised Code documented proof of any required license or other authorization to do business pursuant to this chapter. Every salvage motor vehicle auction and salvage motor vehicle pool shall maintain a copy of this documentation for a period of two years. 647  
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(4) In addition to the information collected pursuant to divisions (A)(1) to (3) of this section, every salvage motor vehicle auction and salvage motor vehicle pool shall obtain from any person who is an authorized purchaser as defined in division (G)(3) or (4) of section 4738.01 of the Revised Code a declaration under penalty of perjury that the authorized purchaser is not making a purchase in excess of the applicable limit identified in those divisions. The salvage motor vehicle auction or salvage motor vehicle pool shall maintain that declaration for a period of two years. The declaration may be submitted by the authorized purchaser in electronic or written format. 656  
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(B) Every salvage motor vehicle auction and salvage motor 667

vehicle pool shall submit the information collected pursuant to 668  
division (A) of this section to the registrar of motor vehicles on 669  
a quarterly or other periodic basis that is not less than 670  
quarterly pursuant to the rules adopted by the registrar in 671  
division (C) of this section. 672

(C)(1) Within sixty days after the effective date of this 673  
section, the registrar shall develop a statewide database for the 674  
submission of the information collected pursuant to division (A) 675  
of this section. The system shall be used to maintain an accurate 676  
record of all sales conducted by a salvage motor vehicle auction 677  
or salvage motor vehicle pool. 678

(2) The registrar may adopt any rules necessary to facilitate 679  
the timely submission of the information required pursuant to this 680  
section. 681

The registrar may make the information the registrar receives 682  
under this section available to any state or local law enforcement 683  
agency upon request. 684

**Sec. 4738.022. Every salvage motor vehicle auction and** 685  
**salvage motor vehicle pool shall comply with the reporting** 686  
**requirements of the national motor vehicle title information** 687  
**system.** 688

**Sec. 4738.023. Within ninety days after the sale of a salvage** 689  
**motor vehicle, the registrar of motor vehicles shall issue a** 690  
**certificate of salvage title to the purchaser of that salvage** 691  
**motor vehicle containing the following notice in bold lettering:** 692

**"SALVAGE VEHICLE - NOT FOR RESALE WITHOUT DISCLOSURE.** 693  
**WARNING: THIS SALVAGE VEHICLE MAY NOT BE SAFE FOR OPERATION UNLESS** 694  
**PROPERLY REPAIRED. SOME STATES MAY REQUIRE AN INSPECTION BEFORE** 695  
**THIS VEHICLE MAY BE REGISTERED. THE STATE OF OHIO MAY REQUIRE THIS** 696  
**VEHICLE TO BE PERMANENTLY BRANDED AS A REBUILT SALVAGE VEHICLE.** 697

OTHER STATES MAY ALSO PERMANENTLY BRAND THE CERTIFICATE OF TITLE." 698

**Sec. 4738.03.** (A) No person licensed as a motor vehicle 699  
salvage dealer under this chapter shall engage in the business of 700  
selling at retail salvage motor vehicle parts or salvage motor 701  
vehicles, unless the business is operated primarily for the 702  
purpose of selling at retail salvage motor vehicle parts. Any 703  
person operating such a business primarily for the purpose of 704  
selling at retail salvage motor vehicle parts may secondarily sell 705  
at retail salvage motor vehicles or manufacture a product of 706  
gradable scrap metal for sale to scrap metal processors or any 707  
other consumer. 708

(B) No person licensed as a salvage motor vehicle auction 709  
under this chapter shall: 710

(1) ~~Make a casual sale of~~ Sell a salvage motor vehicle to 711  
anyone other than an authorized purchaser; 712

(2) Sell a salvage motor vehicle when having reasonable cause 713  
to believe it is not offered by the legal owner thereof; 714

~~(3) Sell a salvage motor vehicle to any person except a~~ 715  
~~person licensed as a motor vehicle salvage dealer under this~~ 716  
~~chapter;~~ 717

~~(4)~~(3) Fail to make an Ohio salvage certificate of title 718  
available to the purchaser of a salvage motor vehicle sold by the 719  
salvage motor vehicle auction, before payment for the salvage 720  
motor vehicle is completed; 721

~~(5)~~(4) Operate as a motor vehicle salvage dealer at the same 722  
location where any salvage motor vehicle auction is operated. 723

(C) No person licensed as a salvage motor vehicle pool under 724  
this chapter shall: 725

(1) ~~Make a casual sale of~~ Sell a salvage motor vehicle to 726  
anyone other than an authorized purchaser; 727



(2) Sell a salvage motor vehicle when having reasonable cause 728  
to believe it is not offered by the legal owner thereof; 729

~~(3) Sell a salvage motor vehicle to any person except a 730  
person licensed as a motor vehicle salvage dealer under this 731  
chapter; 732~~

~~(4)~~(3) Fail to make an Ohio salvage certificate of title 733  
available to the purchaser of a salvage motor vehicle sold by the 734  
salvage motor vehicle pool, before payment for the salvage motor 735  
vehicle is completed; 736

~~(5)~~(4) Operate as a motor vehicle salvage dealer at the same 737  
location where any salvage motor vehicle pool is operated. 738

Sec. 4738.031. No person who is not an authorized purchaser 739  
shall purchase a salvage motor vehicle from a salvage motor 740  
vehicle auction or salvage motor vehicle pool. 741

Sec. 4738.17. (A) No person who is not licensed as a salvage 742  
motor vehicle auction or salvage motor vehicle pool shall engage 743  
in the business of selling salvage motor vehicle parts or salvage 744  
motor vehicles at wholesale. ~~Any~~ 745

(B)(1) Any person licensed as a salvage motor vehicle dealer 746  
under this chapter may sell salvage motor vehicle parts or salvage 747  
motor vehicles at wholesale. 748

(2) Notwithstanding division (A) of this section, a person 749  
may sell salvage motor vehicles at wholesale to or through a 750  
salvage motor vehicle auction or salvage motor vehicle pool 751  
without obtaining any license pursuant to this chapter if the 752  
acquisition of salvage motor vehicles is incidental to the primary 753  
business of the person and the disposal of those salvage motor 754  
vehicles is incidental to the primary business of the person. 755

Sec. 4738.99. (A) Whoever violates section 4738.02 or 4738.03 756

of the Revised Code is guilty of a misdemeanor of the second 757  
degree on a first offense; on each subsequent offense, such person 758  
is guilty of a misdemeanor of the first degree. 759

(B) Whoever violates section 4738.01, sections 4738.04 to 760  
4738.13, or division (B) of section 4738.16 of the Revised Code is 761  
guilty of a misdemeanor of the fourth degree. 762

(C) Whoever violates section 4738.031, 4738.14, or 4738.15 of 763  
the Revised Code is guilty of a minor misdemeanor. 764

**Section 2.** That existing sections 505.871, 4501.25, 4505.061, 765  
4505.11, 4738.01, 4738.02, 4738.03, 4738.17, and 4738.99 and 766  
section 4738.18 of the Revised Code are hereby repealed. 767