

# AN ACT

To amend sections 505.871, 4501.25, 4505.061, 4505.11, 4738.01, 4738.02, 4738.03, 4738.17, and 4738.99, to enact sections 4738.021, 4738.022, and 4738.031, and to repeal section 4738.18 of the Revised Code relative to salvage motor vehicles and junk motor vehicles.

*Be it enacted by the General Assembly of the State of Ohio:*

SECTION 1. That sections 505.871, 4501.25, 4505.061, 4505.11, 4738.01, 4738.02, 4738.03, 4738.17, and 4738.99 be amended and sections 4738.021, 4738.022, and 4738.031 of the Revised Code be enacted to read as follows:

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

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

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

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

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

(b) If the owner of the land fails to remove the vehicle within fourteen days after service of the notice, the board may remove or cause the removal of the vehicle.

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

(3) The board shall serve the notice under this division by sending it by

certified mail, return receipt requested, to the owner of the land, if the owner resides in the unincorporated territory of the township or if the owner resides outside the unincorporated territory of the township and the owner's address is known or ascertainable through an exercise of reasonable diligence. The board also shall send notice in such manner to any holders of liens of record on the land. If a notice sent by certified mail is refused or unclaimed, or if an owner's address is unknown and cannot reasonably be ascertained by an exercise of reasonable diligence, the board shall publish the notice once in a newspaper of general circulation in the township before the removal of the vehicle, and, if the land contains any structures, the board also shall post the notice on the principal structure on the land.

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

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

(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.

(F)(1) As used in this division:

(a) "Motor vehicle salvage dealer" has the same meaning as in section 4738.01 of the Revised Code.

(b) "Scrap metal processing facility" has the same meaning as in section 4737.05 of the Revised Code.

(2) Notwithstanding section 4513.63 of the Revised Code, if a junk motor vehicle is removed and disposed of in accordance with this section, the clerk of courts of the county 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:

(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.

(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 removal or disposal and certifying that all requirements of this section and the notice and records search requirements of section 4505.101 of the Revised Code have been satisfied.

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

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

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

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

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

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

Sec. 4501.25. There is hereby created in the state treasury the state bureau of motor vehicles fund. The fund shall consist of all money collected by the registrar of motor vehicles, including taxes, fees, and fines levied, charged, or referred to in Chapters 4501., 4503., 4505., 4506., 4507., 4509., 4510., 4511., 4517., 4519., and 4521., and sections ~~3123.59~~, 2935.27, 2937.221, ~~3123.59~~, 4738.06, and 4738.13, ~~and 4738.18~~ of the Revised Code unless otherwise designated by law. The fund shall be used to pay the

expenses of administering the law relative to the powers and duties of the registrar of motor vehicles. All investment earnings of the fund shall be retained by the fund.

Sec. 4505.061. If the application for a certificate of title refers to a motor vehicle last previously registered in another state, the application shall be accompanied by a physical inspection certificate issued by the department of public safety verifying the make, body type, model, and manufacturer's vehicle identification number of the motor vehicle for which the certificate of title is desired. The physical inspection certificate shall be in such form as is designated by the registrar of motor vehicles. The physical inspection of the motor vehicle shall be made at a deputy registrar's office, or at an established place of business operated by a licensed motor vehicle dealer. Additionally, the physical inspection of a salvage vehicle owned by an insurance company may be made at an established place of business operated by a ~~salvage~~ motor vehicle salvage dealer, salvage motor vehicle auction, or salvage motor vehicle pool licensed under Chapter 4738. of the Revised Code. The deputy registrar, ~~the motor vehicle dealer, or the salvage motor vehicle salvage dealer, salvage motor vehicle auction, or salvage motor vehicle pool~~ may charge a maximum fee of ~~two dollars and seventy five cents commencing on July 1, 2001, three dollars and twenty five cents commencing on January 1, 2003, and three dollars and fifty cents commencing on January 1, 2004,~~ for conducting the physical inspection.

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

Sec. 4505.11. This section shall also apply to all-purpose vehicles and off-highway motorcycles as defined in section 4519.01 of the Revised Code.

(A) Each owner of a motor vehicle and each person mentioned as owner in the last certificate of title, when the motor vehicle is dismantled, destroyed, or changed in such manner that it loses its character as a motor vehicle, or changed in such manner that it is not the motor vehicle described in the certificate of title, shall surrender the certificate of title to that motor vehicle to a clerk of a court of common pleas, and the clerk, with the consent of any holders of any liens noted on the certificate of title, then shall

enter a cancellation upon the clerk's records and shall notify the registrar of motor vehicles of the cancellation.

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

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

(2) At the time any salvage motor vehicle is sold at auction or through a pool, the salvage motor vehicle auction or salvage motor vehicle pool shall give a copy of the salvage certificate of title or a copy of the certificate of title marked "FOR DESTRUCTION" to the purchaser.

(C)(1) When an insurance company declares it economically impractical to repair such a motor vehicle and has paid an agreed price for the purchase of the motor vehicle to any insured or claimant owner, the insurance company shall proceed as follows:

(a) If an insurance company receives the certificate of title and the motor vehicle, within thirty business days, the insurance company shall deliver the certificate of title to a clerk of a court of common pleas and shall make application for a salvage certificate of title.

(b) If an insurance company obtains possession of the motor vehicle but is unable to obtain the properly endorsed certificate of title for the motor vehicle within thirty business days following the vehicle's owner or lienholder's acceptance of the insurance company's payment for the vehicle, the insurance company may apply to the clerk of a court of common pleas for a salvage certificate of title without delivering the certificate of title for the motor vehicle. The application shall be accompanied by evidence that the insurance company has paid a total loss claim on the vehicle, a copy of the written request for the certificate of title on the insurance company's letterhead, and the original certified mail, return receipt notice, addressed to the last known owner of the vehicle and any known lienholder, to obtain the

certificate of title.

(c) Upon receipt of a properly completed application for a salvage certificate of title as described in division (C)(1)(a) or (b) or (C)(2) of this section, the clerk shall issue the salvage certificate of title on a form, prescribed by the registrar, that shall be easily distinguishable from the original certificate of title and shall bear the same information as the original certificate of title except that it may bear a different number than that of the original certificate of title. ~~Except~~ The salvage certificate of title shall include the following notice in bold lettering:

**"SALVAGE MOTOR VEHICLE - PURSUANT TO R.C. 4738.01."**

~~Except~~ as provided in division (C)(3) of this section, the salvage certificate of title shall be assigned by the insurance company to a salvage dealer or any other person for use as evidence of ownership upon the sale or other disposition of the motor vehicle, and the salvage certificate of title shall be transferrable to any other person. The clerk shall charge a fee of four dollars for the cost of processing each salvage certificate of title.

(2) If an insurance company requests that a salvage motor vehicle auction take possession of a motor vehicle that is the subject of an insurance claim, and subsequently the insurance company denies coverage with respect to the motor vehicle or does not otherwise take ownership of the motor vehicle, the salvage motor vehicle auction may proceed as follows. After the salvage motor vehicle auction has possession of the motor vehicle for forty-five days, it may apply to the clerk of a court of common pleas for a salvage certificate of title without delivering the certificate of title for the motor vehicle. The application shall be accompanied by a copy of the written request that the vehicle be removed from the facility on the salvage motor vehicle auction's letterhead, and the original certified mail, return receipt notice, addressed to the last known owner of the vehicle and any known lienholder, requesting that the vehicle be removed from the facility of the salvage motor vehicle auction. Upon receipt of a properly completed application, the clerk shall follow the process as described in division (C)(1)(c) of this section. The salvage certificate of title so issued shall be free and clear of all liens.

(3) If an insurance company considers a motor vehicle as described in division (C)(1)(a) or (b) of this section to be impossible to restore for highway operation, the insurance company may assign the certificate of title to the motor vehicle to a salvage dealer or scrap metal processing facility and send the assigned certificate of title to the clerk of the court of common pleas of any county. The insurance company shall mark the face of the certificate of title "FOR DESTRUCTION" and shall deliver a photocopy of

the certificate of title to the salvage dealer or scrap metal processing facility for its records.

(4) If an insurance company declares it economically impractical to repair a motor vehicle, agrees to pay to the insured or claimant owner an amount in settlement of a claim against a policy of motor vehicle insurance covering the motor vehicle, and agrees to permit the insured or claimant owner to retain possession of the motor vehicle, the insurance company shall not pay the insured or claimant owner any amount in settlement of the insurance claim until the owner obtains a salvage certificate of title to the vehicle and furnishes a copy of the salvage certificate of title to the insurance company.

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

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

(2) Obtain a salvage certificate of title to the motor vehicle in the name of the self-insured organization, rental or leasing company, or secured creditor, as provided in division (C)(1) of this section, and then sell or otherwise dispose of the motor vehicle. If the motor vehicle is sold, the self-insured organization, rental or leasing company, or secured creditor shall obtain a salvage certificate of title to the motor vehicle in the name of the purchaser from a clerk of a court of common pleas.

(E) If a motor vehicle titled with a salvage certificate of title is restored for operation upon the highways, application shall be made to a clerk of a court of common pleas for a certificate of title. Upon inspection by the state highway patrol, which shall include establishing proof of ownership and an inspection of the motor number and vehicle identification number of the motor vehicle and of documentation or receipts for the materials used in restoration by the owner of the motor vehicle being inspected, which documentation or receipts shall be presented at the time of inspection, the clerk, upon surrender of the salvage certificate of title, shall issue a

certificate of title for a fee prescribed by the registrar. The certificate of title shall be in the same form as the original certificate of title and shall bear the words "REBUILT SALVAGE" in black boldface letters on its face. Every subsequent certificate of title, memorandum certificate of title, or duplicate certificate of title issued for the motor vehicle also shall bear the words "REBUILT SALVAGE" in black boldface letters on its face. The exact location on the face of the certificate of title of the words "REBUILT SALVAGE" shall be determined by the registrar, who shall develop an automated procedure within the automated title processing system to comply with this division. The clerk shall use reasonable care in performing the duties imposed on the clerk by this division in issuing a certificate of title pursuant to this division, but the clerk is not liable for any of the clerk's errors or omissions or those of the clerk's deputies, or the automated title processing system in the performance of those duties. A fee of fifty dollars shall be assessed by the state highway patrol for each inspection made pursuant to this division and shall be deposited into the state highway safety fund established by section 4501.06 of the Revised Code.

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

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

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

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

(a) The homeowner has provided written notice to the lienholder requesting that the certificate of title be surrendered to the auditor of the county containing the taxing district in which the home is located.

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

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

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

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

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

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

(I)(1) Whoever violates division (F) of this section shall be fined not more than two thousand dollars, imprisoned not more than one year, or both.

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

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

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

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

(C) "Salvage motor vehicle auction" means any person who on ~~his own~~

~~the person's~~ behalf or as an agent for a third party engages in business for the purpose of auctioning salvage motor vehicles ~~to motor vehicle salvage dealers.~~

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

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

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

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

(1) The person is a motor vehicle salvage dealer who is licensed pursuant to this chapter; a junk yard that is licensed pursuant to section 4737.07 of the Revised Code; a scrap metal processing facility that is licensed pursuant to section 4737.07 of the Revised Code; a used motor vehicle dealer who is licensed pursuant to section 4517.02 of the Revised Code; a salvage dismantler or automotive recycler; or a salvage dealer, junk yard, scrap metal processing facility, used motor vehicle dealer, salvage dismantler, or automotive recycler business authorized to purchase salvage motor vehicles by another state, country, or jurisdiction.

(2) The person does not satisfy the criteria described in division (G)(1) of this section but has purchased not more than a total of five salvage motor vehicles in the current calendar year from any salvage motor vehicle auction or salvage motor vehicle pool located in Ohio.

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

(I) "Casual sale" means any transfer of a salvage motor vehicle by a person other than a motor vehicle salvage dealer, salvage motor vehicle

auction, or salvage motor vehicle pool, to an ultimate purchaser a person who purchases the salvage motor vehicle for use as a consumer.

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

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

(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 both of the following apply:

(a) The acquisition of salvage motor vehicles is incidental to the primary business of the person.

(b) The disposal of those salvage motor vehicles is incidental to the primary business of the person.

(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.

~~(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.

~~(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.

~~(E)~~(F) Nothing in this chapter applies to any public officer performing his official duties.

Sec. 4738.021. (A) Every salvage motor vehicle auction and salvage motor vehicle pool shall do all of the following:

(1) 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 names and addresses of the purchaser and seller of the salvage motor vehicle.

(2) 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.

(3) Obtain from any person who is an authorized purchaser as defined in division (G)(1) of section 4738.01 of the Revised Code documented proof of any required license or other authorization to do business pursuant to this chapter or, for any person residing in a state, jurisdiction, or country that does not issue a motor vehicle salvage dealer, junk yard, scrap metal processing facility, used motor vehicle dealer, salvage dismantler, or automotive recycler license, a declaration under penalty of perjury that the authorized purchaser is authorized to purchase salvage vehicles in that person's state, jurisdiction, or country. The declaration may be submitted by the authorized purchaser in electronic or written format. Every salvage motor vehicle auction and salvage motor vehicle pool shall maintain a copy of this documentation for a period of two years.

(4) Obtain from any person who is an authorized purchaser as defined in division (G)(2) 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 that division. 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.

(5) For any sale of a salvage motor vehicle to a person residing in another country, stamp the words "FOR EXPORT ONLY" on both of the following:

(a) The face of the vehicle title so as not to obscure the name, date, or mileage statement;

(b) In each unused reassignment space on the back of the title.

The words "FOR EXPORT ONLY" shall be in all capital, black letters, be at least two inches wide, and be clearly legible.

(B) Every salvage motor vehicle auction and salvage motor vehicle pool shall submit the information collected pursuant to division (A)(1) of this section on a monthly basis to a third party consolidator selected by the registrar of motor vehicles pursuant to the rules adopted by the registrar in

division (C) of this section.

(C)(1) Within twelve months after the effective date of this section, the registrar shall contract with an entity approved as a third party data consolidator to the national motor vehicle title information system for the development of a statewide database for the submission of the information collected pursuant to division (A)(1) of this section. The system shall be used to maintain an accurate record of all sales conducted by a salvage motor vehicle auction or salvage motor vehicle pool. All expenses of this contract shall be paid from the state bureau of motor vehicles fund created in section 4501.25 of the Revised Code.

(2) The registrar may adopt any rules pursuant to Chapter 119. of the Revised Code as necessary to facilitate the timely submission of the information required pursuant to this section.

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

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

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

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

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

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

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

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

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

(C) No person licensed as a salvage motor vehicle pool under this

chapter shall:

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

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

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

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

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

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

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

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

(2) Notwithstanding division (A) of this section, a person may sell salvage motor vehicles or salvage motor vehicle parts at wholesale to or through a salvage motor vehicle auction or salvage motor vehicle pool without obtaining any license pursuant to this chapter if both of the following apply:

(a) The acquisition of salvage motor vehicles or salvage motor vehicle parts is incidental to the primary business of the person.

(b) The disposal of those salvage motor vehicles or salvage motor vehicle parts is incidental to the primary business of the person.

Sec. 4738.99. (A) Whoever violates section 4738.02 or 4738.03 of the Revised Code is guilty of a misdemeanor of the second degree on a first offense; on each subsequent offense, such person is guilty of a misdemeanor of the first degree.

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

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

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

SECTION 3. Not later than January 1, 2018, the Common Sense Initiative Office shall submit a report to the General Assembly making the following findings and recommendations:

(A) The cost-effectiveness of having the Registrar of Motor Vehicles contract with a data consolidator to the National Motor Vehicle Title Information System as required in division (C)(1) of section 4738.021 of the Revised Code;

(B) Whether or not to continue the reporting process as required under divisions (B) and (C) of section 4738.021 of the Revised Code.

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*Speaker* \_\_\_\_\_ *of the House of Representatives.*

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*President* \_\_\_\_\_ *of the Senate.*

Passed \_\_\_\_\_, 20\_\_\_\_

Approved \_\_\_\_\_, 20\_\_\_\_

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*Governor.*

Sub. H. B. No. 468

130th G.A.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

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*Director, Legislative Service Commission.*

Filed in the office of the Secretary of State at Columbus, Ohio, on the \_\_\_ day of \_\_\_\_\_, A. D. 20\_\_\_\_.

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*Secretary of State.*

File No. \_\_\_\_\_ Effective Date \_\_\_\_\_