

As Passed by the Senate

**130th General Assembly
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Sub. H. B. No. 468

Representatives Sears, McGregor

Cosponsors: Representatives Becker, Hackett, Henne, Wachtmann

Speaker Batchelder

Senators Bacon, Uecker, Jordan

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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 4738.021, 4738.022, and 3
4738.031, and to repeal section 4738.18 of the 4
Revised Code relative to salvage motor vehicles 5
and junk motor vehicles. 6

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

Section 1. That sections 505.871, 4501.25, 4505.061, 4505.11, 7
4738.01, 4738.02, 4738.03, 4738.17, and 4738.99 be amended and 8
sections 4738.021, 4738.022, and 4738.031 of the Revised Code be 9
enacted to read as follows: 10

Sec. 505.871. (A) A board of township trustees may provide, 11
by resolution, for the removal of any vehicle in the 12
unincorporated territory of the township that the board determines 13
is a junk motor vehicle, as defined in section 505.173 of the 14
Revised Code. 15

(B) If a junk motor vehicle is located on public property, 16
the board of township trustees may provide in the resolution for 17

the immediate removal of the vehicle. 18

(C)(1) If a junk motor vehicle is located on private 19
property, the board of township trustees may provide in the 20
resolution for the removal of the vehicle not sooner than fourteen 21
days after the board serves written notice of its intention to 22
remove or cause the removal of the vehicle on the owner of the 23
land and any holders of liens of record on the land. 24

(2) The notice provided under this division shall generally 25
describe the vehicle to be removed and indicate all of the 26
following: 27

(a) The board has determined that the vehicle is a junk motor 28
vehicle. 29

(b) If the owner of the land fails to remove the vehicle 30
within fourteen days after service of the notice, the board may 31
remove or cause the removal of the vehicle. 32

(c) Any expenses the board incurs in removing or causing the 33
removal of the vehicle may be entered upon the tax duplicate and 34
become a lien upon the land from the date of entry. 35

(3) The board shall serve the notice under this division by 36
sending it by certified mail, return receipt requested, to the 37
owner of the land, if the owner resides in the unincorporated 38
territory of the township or if the owner resides outside the 39
unincorporated territory of the township and the owner's address 40
is known or ascertainable through an exercise of reasonable 41
diligence. The board also shall send notice in such manner to any 42
holders of liens of record on the land. If a notice sent by 43
certified mail is refused or unclaimed, or if an owner's address 44
is unknown and cannot reasonably be ascertained by an exercise of 45
reasonable diligence, the board shall publish the notice once in a 46
newspaper of general circulation in the township before the 47
removal of the vehicle, and, if the land contains any structures, 48

the board also shall post the notice on the principal structure on 49
the land. 50

A notice sent by certified mail shall be deemed to be served 51
for purposes of this section on the date it was received as 52
indicated by the date on a signed return receipt. A notice given 53
by publication shall be deemed to be served for purposes of this 54
section on the date of the newspaper publication. 55

(D) The board of township trustees may cause the removal or 56
may employ the labor, materials, and equipment necessary to remove 57
a junk motor vehicle under this section. All expenses incurred in 58
removing or causing the removal of a junk motor vehicle, when 59
approved by the board, shall be paid out of the township general 60
fund from moneys not otherwise appropriated, except that if the 61
expenses exceed five hundred dollars, the board may borrow moneys 62
from a financial institution to pay the expenses in whole or in 63
part. 64

(E) The board of township trustees may utilize any lawful 65
means to collect the expenses incurred in removing or causing the 66
removal of a junk motor vehicle under this section, including any 67
fees or interest paid to borrow moneys under division (D) of this 68
section. The board may direct the township fiscal officer to 69
certify the expenses and a description of the land to the county 70
auditor, who shall place the expenses upon the tax duplicate as a 71
lien upon the land to be collected as other taxes and returned to 72
the township general fund. 73

(F)(1) As used in this division: 74

(a) "Motor vehicle salvage dealer" has the same meaning as in 75
section 4738.01 of the Revised Code. 76

(b) "Scrap metal processing facility" has the same meaning as 77
in section 4737.05 of the Revised Code. 78

(2) Notwithstanding section 4513.63 of the Revised Code, if a 79

junk motor vehicle is removed and disposed of in accordance with 80
this section, the clerk of courts of the county shall issue a 81
salvage certificate of title for that junk motor vehicle to a 82
motor vehicle salvage dealer licensed pursuant to Chapter 4738. of 83
the Revised Code or a scrap metal processing facility licensed 84
pursuant to sections 4737.05 to 4737.12 of the Revised Code if all 85
of the following conditions are satisfied: 86

(a) The board of township trustees has entered into a 87
contract with the motor vehicle salvage dealer or scrap metal 88
processing facility for the disposal or removal of the junk motor 89
vehicle in accordance with section 505.85 of the Revised Code. 90

(b) The fiscal officer for the board of township trustees 91
executes in triplicate an affidavit prescribed by the registrar of 92
motor vehicles describing the junk motor vehicle and the manner of 93
removal or disposal and certifying that all requirements of this 94
section and the notice and records search requirements of section 95
4505.101 of the Revised Code have been satisfied. 96

(c) The board of township trustees retains the original 97
affidavit for the board's records and furnishes the remaining two 98
copies of the affidavit to the motor vehicle salvage dealer or 99
scrap metal processing facility. 100

(d) The motor vehicle salvage dealer or scrap metal 101
processing facility presents one copy of the affidavit to the 102
clerk. 103

(3) The clerk shall issue the salvage certificate of title, 104
free and clear of all liens and encumbrances, not later than 105
thirty days after the motor vehicle salvage dealer or scrap metal 106
processing facility presents the affidavit pursuant to division 107
(F)(2) of this section. 108

(G) Notwithstanding section 4513.65 of the Revised Code, but 109
subject to division ~~(G)~~(H)(2) of this section, any collector's 110

vehicle that meets the definition of a junk motor vehicle is 111
subject to removal under this section. 112

~~(G)~~(H)(1) Nothing in this section affects the authority of a 113
board of township trustees to adopt and enforce resolutions under 114
section 505.173 of the Revised Code to regulate the storage of 115
junk motor vehicles on private or public property in the 116
unincorporated territory of the township. 117

(2) A resolution adopted under this section is subject to the 118
same restrictions specified in division (A) of section 505.173 of 119
the Revised Code for resolutions adopted under that section. 120

Sec. 4501.25. There is hereby created in the state treasury 121
the state bureau of motor vehicles fund. The fund shall consist of 122
all money collected by the registrar of motor vehicles, including 123
taxes, fees, and fines levied, charged, or referred to in Chapters 124
4501., 4503., 4505., 4506., 4507., 4509., 4510., 4511., 4517., 125
4519., and 4521., and sections ~~3123.59~~, 2935.27, 2937.221, 126
3123.59, 4738.06, and 4738.13, ~~and 4738.18~~ of the Revised Code 127
unless otherwise designated by law. The fund shall be used to pay 128
the expenses of administering the law relative to the powers and 129
duties of the registrar of motor vehicles. All investment earnings 130
of the fund shall be retained by the fund. 131

Sec. 4505.061. If the application for a certificate of title 132
refers to a motor vehicle last previously registered in another 133
state, the application shall be accompanied by a physical 134
inspection certificate issued by the department of public safety 135
verifying the make, body type, model, and manufacturer's vehicle 136
identification number of the motor vehicle for which the 137
certificate of title is desired. The physical inspection 138
certificate shall be in such form as is designated by the 139
registrar of motor vehicles. The physical inspection of the motor 140

vehicle shall be made at a deputy registrar's office, or at an 141
established place of business operated by a licensed motor vehicle 142
dealer. Additionally, the physical inspection of a salvage vehicle 143
owned by an insurance company may be made at an established place 144
of business operated by a ~~salvage~~ motor vehicle salvage dealer, 145
salvage motor vehicle auction, or salvage motor vehicle pool 146
licensed under Chapter 4738. of the Revised Code. The deputy 147
registrar, ~~the~~ motor vehicle dealer, ~~or the salvage~~ motor vehicle 148
salvage dealer, salvage motor vehicle auction, or salvage motor 149
vehicle pool may charge a maximum fee of ~~two dollars and~~ 150
~~seventy five cents commencing on July 1, 2001, three dollars and~~ 151
~~twenty five cents commencing on January 1, 2003, and three dollars~~ 152
and fifty cents ~~commencing on January 1, 2004,~~ for conducting the 153
physical inspection. 154

The clerk of the court of common pleas shall charge a fee of 155
one dollar and fifty cents for the processing of each physical 156
inspection certificate. The clerk shall retain fifty cents of the 157
one dollar and fifty cents so charged and shall pay the remaining 158
one dollar to the registrar by monthly returns, which shall be 159
forwarded to the registrar not later than the fifth day of the 160
month next succeeding that in which the certificate is received by 161
the clerk. The registrar shall pay such remaining sums into the 162
state bureau of motor vehicles fund established by section 4501.25 163
of the Revised Code. 164

Sec. 4505.11. This section shall also apply to all-purpose 165
vehicles and off-highway motorcycles as defined in section 4519.01 166
of the Revised Code. 167

(A) Each owner of a motor vehicle and each person mentioned 168
as owner in the last certificate of title, when the motor vehicle 169
is dismantled, destroyed, or changed in such manner that it loses 170
its character as a motor vehicle, or changed in such manner that 171

it is not the motor vehicle described in the certificate of title, 172
shall surrender the certificate of title to that motor vehicle to 173
a clerk of a court of common pleas, and the clerk, with the 174
consent of any holders of any liens noted on the certificate of 175
title, then shall enter a cancellation upon the clerk's records 176
and shall notify the registrar of motor vehicles of the 177
cancellation. 178

Upon the cancellation of a certificate of title in the manner 179
prescribed by this section, any clerk and the registrar of motor 180
vehicles may cancel and destroy all certificates and all 181
memorandum certificates in that chain of title. 182

(B)(1) If an Ohio certificate of title or salvage certificate 183
of title to a motor vehicle is assigned to a salvage dealer, the 184
dealer is not required to obtain an Ohio certificate of title or a 185
salvage certificate of title to the motor vehicle in the dealer's 186
own name if the dealer dismantles or destroys the motor vehicle, 187
indicates the number of the dealer's motor vehicle salvage 188
dealer's license on it, marks "FOR DESTRUCTION" across the face of 189
the certificate of title or salvage certificate of title, and 190
surrenders the certificate of title or salvage certificate of 191
title to a clerk of a court of common pleas as provided in 192
division (A) of this section. If the salvage dealer retains the 193
motor vehicle for resale, the dealer shall make application for a 194
salvage certificate of title to the motor vehicle in the dealer's 195
own name as provided in division (C)(1) of this section. 196

(2) At the time any salvage motor vehicle is sold at auction 197
or through a pool, the salvage motor vehicle auction or salvage 198
motor vehicle pool shall give a copy of the salvage certificate of 199
title or a copy of the certificate of title marked "FOR 200
DESTRUCTION" to the purchaser. 201

(C)(1) When an insurance company declares it economically 202
impractical to repair such a motor vehicle and has paid an agreed 203

price for the purchase of the motor vehicle to any insured or 204
claimant owner, the insurance company shall proceed as follows: 205

(a) If an insurance company receives the certificate of title 206
and the motor vehicle, within thirty business days, the insurance 207
company shall deliver the certificate of title to a clerk of a 208
court of common pleas and shall make application for a salvage 209
certificate of title. 210

(b) If an insurance company obtains possession of the motor 211
vehicle but is unable to obtain the properly endorsed certificate 212
of title for the motor vehicle within thirty business days 213
following the vehicle's owner or lienholder's acceptance of the 214
insurance company's payment for the vehicle, the insurance company 215
may apply to the clerk of a court of common pleas for a salvage 216
certificate of title without delivering the certificate of title 217
for the motor vehicle. The application shall be accompanied by 218
evidence that the insurance company has paid a total loss claim on 219
the vehicle, a copy of the written request for the certificate of 220
title on the insurance company's letterhead, and the original 221
certified mail, return receipt notice, addressed to the last known 222
owner of the vehicle and any known lienholder, to obtain the 223
certificate of title. 224

(c) Upon receipt of a properly completed application for a 225
salvage certificate of title as described in division (C)(1)(a) or 226
(b) or (C)(2) of this section, the clerk shall issue the salvage 227
certificate of title on a form, prescribed by the registrar, that 228
shall be easily distinguishable from the original certificate of 229
title and shall bear the same information as the original 230
certificate of title except that it may bear a different number 231
than that of the original certificate of title. ~~Except~~ The salvage 232
certificate of title shall include the following notice in bold 233
lettering: 234

"SALVAGE MOTOR VEHICLE - PURSUANT TO R.C. 4738.01." 235

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 268
assigned certificate of title to the clerk of the court of common 269
pleas of any county. The insurance company shall mark the face of 270
the certificate of title "FOR DESTRUCTION" and shall deliver a 271
photocopy of the certificate of title to the salvage dealer or 272
scrap metal processing facility for its records. 273

(4) If an insurance company declares it economically 274
impractical to repair a motor vehicle, agrees to pay to the 275
insured or claimant owner an amount in settlement of a claim 276
against a policy of motor vehicle insurance covering the motor 277
vehicle, and agrees to permit the insured or claimant owner to 278
retain possession of the motor vehicle, the insurance company 279
shall not pay the insured or claimant owner any amount in 280
settlement of the insurance claim until the owner obtains a 281
salvage certificate of title to the vehicle and furnishes a copy 282
of the salvage certificate of title to the insurance company. 283

(D) When a self-insured organization, rental or leasing 284
company, or secured creditor becomes the owner of a motor vehicle 285
that is burned, damaged, or dismantled and is determined to be 286
economically impractical to repair, the self-insured organization, 287
rental or leasing company, or secured creditor shall do one of the 288
following: 289

(1) Mark the face of the certificate of title to the motor 290
vehicle "FOR DESTRUCTION" and surrender the certificate of title 291
to a clerk of a court of common pleas for cancellation as 292
described in division (A) of this section. The self-insured 293
organization, rental or leasing company, or secured creditor then 294
shall deliver the motor vehicle, together with a photocopy of the 295
certificate of title, to a salvage dealer or scrap metal 296
processing facility and shall cause the motor vehicle to be 297
dismantled, flattened, crushed, or destroyed. 298

(2) Obtain a salvage certificate of title to the motor 299

vehicle in the name of the self-insured organization, rental or 300
leasing company, or secured creditor, as provided in division 301
(C)(1) of this section, and then sell or otherwise dispose of the 302
motor vehicle. If the motor vehicle is sold, the self-insured 303
organization, rental or leasing company, or secured creditor shall 304
obtain a salvage certificate of title to the motor vehicle in the 305
name of the purchaser from a clerk of a court of common pleas. 306

(E) If a motor vehicle titled with a salvage certificate of 307
title is restored for operation upon the highways, application 308
shall be made to a clerk of a court of common pleas for a 309
certificate of title. Upon inspection by the state highway patrol, 310
which shall include establishing proof of ownership and an 311
inspection of the motor number and vehicle identification number 312
of the motor vehicle and of documentation or receipts for the 313
materials used in restoration by the owner of the motor vehicle 314
being inspected, which documentation or receipts shall be 315
presented at the time of inspection, the clerk, upon surrender of 316
the salvage certificate of title, shall issue a certificate of 317
title for a fee prescribed by the registrar. The certificate of 318
title shall be in the same form as the original certificate of 319
title and shall bear the words "REBUILT SALVAGE" in black boldface 320
letters on its face. Every subsequent certificate of title, 321
memorandum certificate of title, or duplicate certificate of title 322
issued for the motor vehicle also shall bear the words "REBUILT 323
SALVAGE" in black boldface letters on its face. The exact location 324
on the face of the certificate of title of the words "REBUILT 325
SALVAGE" shall be determined by the registrar, who shall develop 326
an automated procedure within the automated title processing 327
system to comply with this division. The clerk shall use 328
reasonable care in performing the duties imposed on the clerk by 329
this division in issuing a certificate of title pursuant to this 330
division, but the clerk is not liable for any of the clerk's 331
errors or omissions or those of the clerk's deputies, or the 332

automated title processing system in the performance of those 333
duties. A fee of fifty dollars shall be assessed by the state 334
highway patrol for each inspection made pursuant to this division 335
and shall be deposited into the state highway safety fund 336
established by section 4501.06 of the Revised Code. 337

(F) No person shall operate upon the highways in this state a 338
motor vehicle, title to which is evidenced by a salvage 339
certificate of title, except to deliver the motor vehicle pursuant 340
to an appointment for an inspection under this section. 341

(G) No motor vehicle the certificate of title to which has 342
been marked "FOR DESTRUCTION" and surrendered to a clerk of a 343
court of common pleas shall be used for anything except parts and 344
scrap metal. 345

(H)(1) Except as otherwise provided in this division, an 346
owner of a manufactured or mobile home that will be taxed as real 347
property pursuant to division (B) of section 4503.06 of the 348
Revised Code shall surrender the certificate of title to the 349
auditor of the county containing the taxing district in which the 350
home is located. An owner whose home qualifies for real property 351
taxation under divisions (B)(1)(a) and (b) of section 4503.06 of 352
the Revised Code shall surrender the certificate within fifteen 353
days after the home meets the conditions specified in those 354
divisions. The auditor shall deliver the certificate of title to 355
the clerk of the court of common pleas who issued it. 356

(2) If the certificate of title for a manufactured or mobile 357
home that is to be taxed as real property is held by a lienholder, 358
the lienholder shall surrender the certificate of title to the 359
auditor of the county containing the taxing district in which the 360
home is located, and the auditor shall deliver the certificate of 361
title to the clerk of the court of common pleas who issued it. The 362
lienholder shall surrender the certificate within thirty days 363
after both of the following have occurred: 364

(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. 396

(I)(1) Whoever violates division (F) of this section shall be 397
fined not more than two thousand dollars, imprisoned not more than 398
one year, or both. 399

(2) Whoever violates division (G) of this section shall be 400
fined not more than one thousand dollars, imprisoned not more than 401
six months, or both. 402

Sec. 4738.01. As used in sections 4738.01 to 4738.16 of the 403
Revised Code: 404

(A) "Motor vehicle salvage dealer" means any person who 405
engages in business primarily for the purpose of selling salvage 406
motor vehicle parts and secondarily for the purpose of selling at 407
retail salvage motor vehicles or manufacturing or selling a 408
product of gradable scrap metal. 409

(B) "Salvage motor vehicle" means any motor vehicle which is 410
in a wrecked, dismantled, or worn out condition, or unfit for 411
operation as a motor vehicle. 412

(C) "Salvage motor vehicle auction" means any person who on 413
~~his own~~ the person's behalf or as an agent for a third party 414
engages in business for the purpose of auctioning salvage motor 415
vehicles ~~to motor vehicle salvage dealers~~. 416

(D) "Salvage motor vehicle pool" means any person who as an 417
agent for a third party engages in business for the purpose of 418
storing, displaying, and offering for sale salvage motor vehicles 419
~~to motor vehicle salvage dealers~~. 420

(E) "Engaging in business" means commencing, conducting, or 421
continuing in business, or liquidating a business when the 422
liquidator thereof holds ~~himself~~ the liquidator out to be 423
conducting such business; making a casual sale or otherwise making 424
transfers in the ordinary course of business when the transfers 425

are made in connection with the disposition of all or 426
substantially all of the transferor's assets is not engaging in 427
business. 428

(F) "Retail sale" or "sale at retail" means the act or 429
attempted act of selling, bartering, exchanging, or otherwise 430
disposing of salvage motor vehicles or salvage motor vehicle parts 431
to ~~an ultimate purchaser~~ a person who purchases the salvage motor 432
vehicle or salvage motor vehicle parts for use as a consumer. 433

(G) "Ultimate Authorized purchaser" means, ~~with respect to~~ 434
~~any~~ a person who purchases a salvage motor vehicle or ~~or~~ from a 435
salvage motor vehicle ~~part, a purchaser who in good faith~~ 436
~~purchases such~~ auction or salvage motor vehicle or part pool ~~for~~ 437
~~purposes other than resale and is not licensed as a motor vehicle~~ 438
~~dealer under Chapter 4517. of the Revised Code.~~ and who satisfies 439
either of the following criteria: 440

(1) The person is a motor vehicle salvage dealer who is 441
licensed pursuant to this chapter; a junk yard that is licensed 442
pursuant to section 4737.07 of the Revised Code; a scrap metal 443
processing facility that is licensed pursuant to section 4737.07 444
of the Revised Code; a used motor vehicle dealer who is licensed 445
pursuant to section 4517.02 of the Revised Code; a salvage 446
dismantler or automotive recycler; or a salvage dealer, junk yard, 447
scrap metal processing facility, used motor vehicle dealer, 448
salvage dismantler, or automotive recycler business authorized to 449
purchase salvage motor vehicles by another state, country, or 450
jurisdiction. 451

(2) The person does not satisfy the criteria described in 452
division (G)(1) of this section but has purchased not more than a 453
total of five salvage motor vehicles in the current calendar year 454
from any salvage motor vehicle auction or salvage motor vehicle 455
pool located in Ohio. 456

(H) "Business" includes any activities engaged in by any 457
person for the object of gain, benefit, or advantage either direct 458
or indirect. 459

(I) "Casual sale" means any transfer of a salvage motor 460
vehicle by a person other than a motor vehicle salvage dealer, 461
salvage motor vehicle auction, or salvage motor vehicle pool, to 462
an ultimate purchaser a person who purchases the salvage motor 463
vehicle for use as a consumer. 464

Sec. 4738.02. (A) Except as provided in divisions (B) and 465
~~(D)~~(E) of this section, no person shall engage in the business of 466
selling at retail ~~salvage motor vehicles or~~ salvage motor vehicle 467
parts, ~~or assume to engage in any such business~~ without first 468
obtaining a motor vehicle salvage dealer's license pursuant to 469
this chapter. 470

(B)(1) Except as provided in divisions ~~(B)(1) and (C)(1)~~ of 471
~~section 4738.03 of the Revised Code and (E)~~ of this section, no 472
person shall engage in the business of selling at retail salvage 473
motor vehicles nor, other than as a lessor, provide a location or 474
a space for the sale of salvage motor vehicles without first 475
obtaining a motor vehicle salvage dealer's license, a salvage 476
motor vehicle auction license, or a salvage motor vehicle pool 477
license pursuant to this chapter. 478

(2) Notwithstanding division (B)(1) of this section, a person 479
may sell salvage motor vehicles at retail to or through a salvage 480
motor vehicle auction or salvage motor vehicle pool without 481
obtaining any license pursuant to this chapter if both of the 482
following apply: 483

(a) The acquisition of salvage motor vehicles is incidental 484
to the primary business of the person. 485

(b) The disposal of those salvage motor vehicles is 486

incidental to the primary business of the person. 487

~~(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.~~ 488
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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. 494
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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. 498
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~~(E)(F)~~ Nothing in this chapter applies to any public officer performing his official duties. 506
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Sec. 4738.021. (A) Every salvage motor vehicle auction and salvage motor vehicle pool shall do all of the following: 508
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(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. 510
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(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 514
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auction and salvage motor vehicle pool shall maintain a copy of 517
this identification for a period of two years. 518

(3) Obtain from any person who is an authorized purchaser as 519
defined in division (G)(1) of section 4738.01 of the Revised Code 520
documented proof of any required license or other authorization to 521
do business pursuant to this chapter or, for any person residing 522
in a state, jurisdiction, or country that does not issue a motor 523
vehicle salvage dealer, junk yard, scrap metal processing 524
facility, used motor vehicle dealer, salvage dismantler, or 525
automotive recycler license, a declaration under penalty of 526
perjury that the authorized purchaser is authorized to purchase 527
salvage vehicles in that person's state, jurisdiction, or country. 528
The declaration may be submitted by the authorized purchaser in 529
electronic or written format. Every salvage motor vehicle auction 530
and salvage motor vehicle pool shall maintain a copy of this 531
documentation for a period of two years. 532

(4) Obtain from any person who is an authorized purchaser as 533
defined in division (G)(2) of section 4738.01 of the Revised Code 534
a declaration under penalty of perjury that the authorized 535
purchaser is not making a purchase in excess of the applicable 536
limit identified in that division. The salvage motor vehicle 537
auction or salvage motor vehicle pool shall maintain that 538
declaration for a period of two years. The declaration may be 539
submitted by the authorized purchaser in electronic or written 540
format. 541

(5) For any sale of a salvage motor vehicle to a person 542
residing in another country, stamp the words "FOR EXPORT ONLY" on 543
both of the following: 544

(a) The face of the vehicle title so as not to obscure the 545
name, date, or mileage statement; 546

(b) In each unused reassignment space on the back of the 547

title. 548

The words "FOR EXPORT ONLY" shall be in all capital, black letters, be at least two inches wide, and be clearly legible. 549
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(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. 551
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(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. 557
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(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. 567
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The registrar shall make the information the registrar receives under this section available to any state or local law enforcement agency upon request. 570
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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. 573
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Sec. 4738.03. (A) No person licensed as a motor vehicle 577

salvage dealer under this chapter shall engage in the business of 578
selling at retail salvage motor vehicle parts or salvage motor 579
vehicles, unless the business is operated primarily for the 580
purpose of selling at retail salvage motor vehicle parts. Any 581
person operating such a business primarily for the purpose of 582
selling at retail salvage motor vehicle parts may secondarily sell 583
at retail salvage motor vehicles or manufacture a product of 584
gradable scrap metal for sale to scrap metal processors or any 585
other consumer. 586

(B) No person licensed as a salvage motor vehicle auction 587
under this chapter shall: 588

(1) ~~Make a casual sale of~~ Knowingly sell a salvage motor 589
vehicle to anyone other than an authorized purchaser; 590

(2) Sell a salvage motor vehicle when having reasonable cause 591
to believe it is not offered by the legal owner thereof; 592

~~(3) Sell a salvage motor vehicle to any person except a 593
person licensed as a motor vehicle salvage dealer under this 594
chapter;~~ 595

~~(4)~~(3) Fail to make an Ohio salvage certificate of title 596
available to the purchaser of a salvage motor vehicle sold by the 597
salvage motor vehicle auction, before payment for the salvage 598
motor vehicle is completed; 599

~~(5)~~(4) Operate as a motor vehicle salvage dealer at the same 600
location where any salvage motor vehicle auction is operated. 601

(C) No person licensed as a salvage motor vehicle pool under 602
this chapter shall: 603

(1) ~~Make a casual sale of~~ Knowingly sell a salvage motor 604
vehicle to anyone other than an authorized purchaser; 605

(2) Sell a salvage motor vehicle when having reasonable cause 606
to believe it is not offered by the legal owner thereof; 607

~~(3) Sell a salvage motor vehicle to any person except a person licensed as a motor vehicle salvage dealer under this chapter;~~ 608
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~~(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; 611
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~~(5)~~(4) Operate as a motor vehicle salvage dealer at the same location where any salvage motor vehicle pool is operated. 615
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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. 617
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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~~ 620
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(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. 624
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(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: 627
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(a) The acquisition of salvage motor vehicles or salvage motor vehicle parts is incidental to the primary business of the person. 632
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(b) The disposal of those salvage motor vehicles or salvage motor vehicle parts is incidental to the primary business of the 635
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person. 637

Sec. 4738.99. (A) Whoever violates section 4738.02 or 4738.03 638
of the Revised Code is guilty of a misdemeanor of the second 639
degree on a first offense; on each subsequent offense, such person 640
is guilty of a misdemeanor of the first degree. 641

(B) Whoever violates section 4738.01, sections 4738.04 to 642
4738.13, or division (B) of section 4738.16 of the Revised Code is 643
guilty of a misdemeanor of the fourth degree. 644

(C) Whoever violates section 4738.031, 4738.14, or 4738.15 of 645
the Revised Code is guilty of a minor misdemeanor. 646

Section 2. That existing sections 505.871, 4501.25, 4505.061, 647
4505.11, 4738.01, 4738.02, 4738.03, 4738.17, and 4738.99 and 648
section 4738.18 of the Revised Code are hereby repealed. 649

Section 3. Not later than January 1, 2018, the Common Sense 650
Initiative Office shall submit a report to the General Assembly 651
making the following findings and recommendations: 652

(A) The cost-effectiveness of having the Registrar of Motor 653
Vehicles contract with a data consolidator to the National Motor 654
Vehicle Title Information System as required in division (C)(1) of 655
section 4738.021 of the Revised Code; 656

(B) Whether or not to continue the reporting process as 657
required under divisions (B) and (C) of section 4738.021 of the 658
Revised Code. 659