§ 429. Junk and salvage vehicles. 1. Requirements upon acquisition of junk or salvage vehicles. (a) By an insurance company. Whenever an insurance company acquires a motor vehicle in settlement of a claim for damage thereto or theft thereof, such company shall deliver a statement concerning such acquisition to the commissioner as provided in this section. Such company shall deliver the certificate of title or any other ownership documents relating to such motor vehicle properly executed to transfer title from the insured to the company and notices of release of security interest from any lienholder whose lien has been satisfied to the commissioner with the required statement of acquisition.

(b) By a vehicle dismantler. Whenever a person who is engaged in a business requiring him to be registered as a vehicle dismantler or an itinerant vehicle collector acquires a motor vehicle which has been sold or otherwise disposed of as junk or for salvage, such person shall deliver a statement concerning such acquisition to the commissioner as provided in this section. Such person shall deliver the certificate of title or any other ownership documents relating to such motor vehicle properly executed to transfer title by the transferor to the vehicle dismantler or itinerant vehicle collector and notices of release of security interest from any lienholder whose lien has been satisfied to the commissioner with the required statement of acquisition. However, the provisions of this subdivision shall not apply to a vehicle which has been transferred to a vehicle dismantler registered under section four hundred fifteen-a of this chapter by means of a document issued pursuant to this section. The commissioner may, by regulation, allow the requirements of this subdivision with respect to the delivery of documents to be satisfied by an electronic filing of the necessary information by or on behalf of the person to whom such requirements apply.

(c) By other persons. Whenever a person other than a person described in paragraph (a) or (b) of this subdivision acquires ownership of a motor vehicle which has been sold or otherwise disposed of as junk or salvage or which is to be dismantled for use other than as a motor vehicle, such person shall deliver a statement concerning such acquisition to the commissioner as provided in this section. Such person shall deliver the certificate of title and any other ownership documents

relating to such motor vehicle properly executed to transfer title by the transferor to such person and notices of release of security interest from any lienholder whose lien has been satisfied to the commissioner with the required statement of acquisition. However, the provisions of this subdivision shall not apply to a vehicle which has been transferred to any such person by means of a document issued pursuant to this section or to a scrap processor by a person registered or certified pursuant to section four hundred fifteen-a of this chapter.

(d) A statement of acquisition and all documents required to be submitted to the commissioner pursuant to this section or regulations promulgated thereunder must be so submitted within the time specified by regulation of the commissioner. Any person who, knowingly and willfully, and with intent to defraud a subsequent purchaser as to the applicable status of a motor vehicle, makes any false statement on an application for title or duplicate title for a motor vehicle pursuant to this section or fails to submit the statement of acquisition and supporting documentation to the commissioner within the time specified by regulation shall be subject to a civil penalty of up to two thousand dollars for each offense found to have been committed. Such penalty may only be imposed if such person has had the opportunity to be heard before an officer or employee of the department designated for such purpose by the commissioner, upon any charge of a violation of this paragraph or regulations promulgated by the commissioner with respect to this paragraph.

1-a. Requirements for certain fleet vehicles. (a) Whenever a motor vehicle titled or registered by a fleet owner becomes a severely damaged fleet vehicle, prior to the transfer of such vehicle or any major component part thereof, the fleet owner shall deliver a statement concerning such occurrence to the commissioner as provided in this section. Such fleet owner shall deliver the certificate of title in its name or any other ownership documents relating to such motor vehicle and notices of release of security interest from any lienholder whose lien has been satisfied to the commissioner with the required statement concerning such occurrence. Such a statement shall be subject to all provisions of law applicable to a statement of acquisition except as may otherwise be specified by regulation of the commissioner.

(b) For the purposes of this section, a fleet owner shall mean a person who has twenty-five or more vehicles titled or registered in his name in this state and who does not have such vehicles insured for damage or theft by an insurance company duly authorized to transact business in this state.

(c) For the purposes of this section, a severely damaged fleet vehicle shall mean a motor vehicle titled or registered in the name of a fleet owner in this state or in any other state or province of Canada which has received damage and which has not been placed back in fleet use by the fleet owner subsequent to receipt of such damage. However, it shall not include a motor vehicle titled and registered in another state or a province of Canada if the damage was incurred outside of this state and the vehicle is sold by the fleet owner outside of this state, or shall include a motor vehicle which has a fair market value after such damage of at least sixty percent of the fair market value of an undamaged similar model vehicle unless such motor vehicle requires the replacement of the engine in order to be made operable.

(d) If a severely damaged fleet vehicle is sold by a fleet owner in violation of this section, the purchaser or any subsequent good faith purchaser, may rescind such sale and recover the price he paid to his transferor for the vehicle from the fleet owner. Recovery of the purchase price may be enforced in a civil action to recover damages.

(e) The provisions of this subdivision shall not apply to any vehicle titled or registered in the name of a public utility subject to the authority of the public service commission for which such utility has obtained an exemption in accordance with the following provisions of this subdivision. In order to obtain such exemption, the utility must forward to the commissioner a listing, including model year, make and vehicle identification number of any or all vehicles for which exemption is requested not more than sixty and not less than thirty days prior to the date of proposed sale of such vehicle or vehicles. Such listing shall contain the date, time and place of such proposed sale. Any vehicle contained on such listing shall be exempt from the provisions of this subdivision, but such exemption shall be applicable only with respect to a sale of any such vehicle made upon the date contained on the listing.

2. Transfer of junk and salvage vehicles. (a) When an insurance company, vehicle dismantler, fleet owner, or any other person submits a statement of acquisition for a junk or salvage vehicle or a severely damaged fleet vehicle, as provided in subdivision one or one-a of this section, such insurance company, vehicle dismantler, or other person shall prepare and distribute a statement of acquisition in accordance with regulations promulgated by the commissioner. A copy of such statement of acquisition designated by the commissioner shall serve as proof of ownership for the vehicle and shall provide a method of transfer of such a vehicle as a junk vehicle and may serve as an application for title if the vehicle is subsequently rehabilitated or repaired for the purpose of being operated upon the public highways.

(b) The provisions of section four hundred twenty-one of this chapter prohibiting the sale of a motor vehicle with a removed, altered or defaced vehicle identification number plate shall not apply to the sale of any junk or salvage vehicle or any severely damaged fleet vehicle from an insurance company, a vehicle dismantler, a local authority, fleet owner or a dealer registered under section four hundred fifteen of this chapter provided the proof of ownership for such vehicle consists of a valid statement of acquisition and such statement of acquisition which transfers ownership of such vehicle indicates that the vehicle identification number plate is missing, altered or defaced.

(c) No person shall sell or advertise for sale or solicit a bid for the purchase of a junk or salvage vehicle without notifying any prospective purchaser or bidder of the existence or non-existence of any security interest with respect to such junk or salvage vehicle. If a security interest exists with respect to such vehicle, the name or names and address or addresses of the secured party or parties must also be provided to the prospective purchaser or bidder.

3. Items to be surrendered before intentional destruction of motor vehicles. A certified scrap processor or registered vehicle dismantler may crush a motor vehicle still displaying a vehicle identification number plate. The crushing must be so complete that the vehicle identification number plate cannot be readily removed. No other person shall cause or permit a motor vehicle to be scrapped, permanently dismantled or otherwise intentionally destroyed unless the vehicle

identification number plate of such motor vehicle has been removed therefrom and either destroyed or delivered to the commissioner together with all title or any other ownership documents pertaining to such motor vehicle as provided in this section. If the vehicle identification number plate is not delivered to the commissioner, a notice indicating the disposition of such plate must accompany the ownership documents required to be submitted to the commissioner.

4. Forms and documents. Any forms or documents used in conjunction with this section shall be in a form prescribed by the commissioner and shall set forth a complete description of the motor vehicle, the name and address of the person to whom such motor vehicle was sold or transferred or from whom such motor vehicle was acquired together with any other information deemed necessary or desirable by the commissioner to effectuate the provisions and purposes of this section. Any such statement, document or item required to be delivered to the commissioner by any provision of this section shall be deemed to have been so delivered when it has been either personally delivered or sent by mail to the office of the commissioner at the address designated by him.

4-a. Fees for statement of acquisition. The statement of acquisition provided for in this section shall be issued as prescribed by regulation of the commissioner upon payment of a fee of five dollars for each such statement. Such fee shall be paid to the commissioner for deposit in the general fund.

5. Motor vehicle subject to requirements. The provisions of this section shall apply to all motor vehicles sold, surrendered or otherwise disposed of, or acquired, or intentionally destroyed, within this state for which a certificate of title has been issued by the commissioner or which would be eligible to have such a certificate of title issued.

6. Penalties. A violation of any provision of this section shall be a misdemeanor.