§ 430. Retail sale of junk and salvage vehicles. 1. Whenever a motor vehicle for which a notice of acquisition is required to be filed pursuant to section four hundred twenty-nine of this article is to be registered for use on the public highway, the person holding the proof of ownership for such vehicle must surrender such proof of ownership and make application for a certificate of title. Except as otherwise provided herein, the commissioner shall require the physical examination of any such vehicle by a designated employee of the department before a title will be issued. Upon a request made with such an application for title, the commissioner may issue a temporary permit which shall be valid for the operation of such vehicle upon the public highways of this state, in accordance with regulations promulgated by the commissioner, from the date of its issuance until five days after the scheduled date of the examination for such vehicle, including the transportation of the motor vehicle to and from the physical examination site, provided the application is accompanied by proof of inspection and evidence of insurance coverage satisfactory to the commissioner. Upon such examination for identification, the employee making such examination shall, in accordance with regulations promulgated by the commissioner, determine whether a special vehicle identification number shall be issued for such vehicle. A fee of one hundred fifty dollars shall be paid to the commissioner before such examination shall be scheduled or made. Such fee shall be forfeited if the motor vehicle is not presented for examination as scheduled unless the appointment for such examination has been cancelled or postponed in accordance with regulations promulgated by the commissioner. If a special vehicle identification number is issued after such examination, no additional fee shall be required for such issuance.

2. The provisions of subdivision one of this section relating to inspection for identification by an employee of the department shall not apply to a motor vehicle which has been transferred to an insurance company in settlement of a claim for the theft of such vehicle, provided the following conditions are met:

(i) no major component part of the motor vehicle has been replaced since the theft of such vehicle,

(ii) repairs made to the motor vehicle since the recovery of such

vehicle either have not exceeded one-fourth of the amount paid by the insurance company in settlement of the claim or have not exceeded one thousand dollars,

(iii) the vehicle identification number and all other manufacturers' identifying numbers on the motor vehicle have been examined by the insurance company and are intact in the same form as at the time of the theft of such vehicle,

(iv) an affidavit sworn to by an officer of the insurance company is submitted by the insurance company which made payment in settlement of the claim for theft with the application for title certifying to the above conditions, which affidavit shall also certify additional facts as required by the commissioner relating to the theft and recovery of such vehicle and the amount of settlement and repair costs.

3. The commissioner may, by regulation, exempt vehicles from the physical examination required by subdivision one of this section based upon the age of the vehicles if the commissioner deems that such physical examination would not further the purposes of the motor vehicle theft prevention program established by section two hundred twenty-three of this chapter.

4. Fees; deposited. Fees assessed under this section shall be paid to the commissioner for deposit to the general fund, with the exception of the fifty dollar increase in the fee for scheduling an examination pursuant to subdivision one of this section, which shall be deposited to the dedicated highway and bridge trust fund established pursuant to section eighty-nine-b of the state finance law and the dedicated mass transportation fund established pursuant to section eighty-nine-c of the state finance law and distributed according to the provisions of subdivision (d) of section three hundred one-j of the tax law.