



American Association of
Motor Vehicle Administrators

Rebuilt
NON-REPAIRABLE
Registration
TITLE
SPECIALLY CONSTRUCTED
Salvage
Consumer Protection
UNIFORMITY



Best Practices for Title and Registration of Rebuilt and Specially Constructed Vehicles



November 2012

VEHICLE STANDING COMMITTEE
UNCONVENTIONAL VEHICLES WORKING GROUP

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Executive Summary

In early 2012, the AAMVA Unconventional Vehicles Working Group (UVWG) surveyed member jurisdictions to learn how they perform titling and registration processes for “rebuilt” and “specially constructed” motor vehicles. Survey results indicated that while there were some common practices, inconsistencies demonstrated the need for best practices.

The primary principles guiding the development of the best practices in this document are:

- i. Ensuring the safety of passengers in these vehicles, pedestrians, and other road users,
- ii. Promoting consumer protection, and
- iii. Facilitating consistent registration and titling practices.

For these reasons, significant emphasis is placed on ensuring that rebuilt vehicles are at least as safe as when the vehicle was originally manufactured and on ensuring that specially constructed vehicles are safe for on highway use. In addition, facilitating uniform recordkeeping and other consumer protection processes ensure consumer access to relevant safety data pertaining to their vehicle.

Upon review of survey results, numerous in-depth discussions, and consideration of comments received from many sources, the best practices for titling and registering rebuilt and specially constructed vehicles were developed. It is recommended that jurisdictions adopt the best practices for rebuilt and specially constructed vehicles to ensure their safe use and consistent titling and registration. Guidance is provided in the areas listed below:

- i. Structural integrity inspection requirements
- ii. Mechanical inspection requirements
- iii. Vehicle identification number (VIN) requirements
- iv. Titling and registration conventions
- v. Proof of ownership requirements and document retention practices
- vi. Flood-damaged and retained total loss vehicles branding requirements

The Working Group also notes that US jurisdictions do have significant branding inconsistencies and recommends that the AAMVA National Motor Vehicle Title Information System (NMVTIS) Business Rules Working Group consider addressing this matter. Ideally, consistent use of fewer well-defined brands would be ideal, but that work is beyond the mandate of this Working Group.

Section One Definitions and Acronyms

For purposes of these best practices, the following definitions and acronyms shall be used:

AAMVA	American Association of Motor Vehicle Administrators
Canadian IRE	Canadian Interprovincial Record Exchange
CMVSS	Canadian Motor Vehicle Safety Standards
Flood-damaged Vehicle	A motor vehicle that has been immersed in a liquid to the bottom of the dashboard or to a level affecting any of the major electrical system components, or a vehicle contaminated with toxic fluid, or both, that renders the vehicle unsafe due to toxic hazard.
FMVSS	Federal Motor Vehicle Safety Standards adopted by the United States Department of Transportation at 49 C.F.R. 571.
Motor Vehicle	A vehicle driven or drawn by mechanical power and manufactured primarily for the use on public streets, roads, and highways, but does not include a vehicle operated only on a rail line (49 U.S.C. 30102)
NMVTIS	National Motor Vehicle Title Information System
Non-repairable Vehicle	A motor vehicle that is damaged, destroyed, wrecked, burned, or submerged in water to the extent that the only residual value of the vehicle is as a source of parts or scrap metal or identified by a jurisdiction or insurer that it is not rebuildable. Vehicles designated as non-repairable cannot be rebuilt for operation on public roads.
Rebuilt Vehicle	A motor vehicle that has been previously titled or registered, or both, that was incapable of operation or use on highways due to damage and that has been rebuilt to the original design of the vehicle by replacing major component parts with like make and model parts. Prior to being rebuilt, the vehicle may have been declared a total loss by an insurance company and branded Salvage but does not extend to include non-repairable branded vehicles.
Registration	Documentary proof of authority to operate a motor vehicle on a public road, or the process of issuing such proof.
Salvage Vehicle	A motor vehicle that has been damaged by collision, fire, accident, or other occurrence to the extent that its salvage value plus the cost of repairing the vehicle for legal operation on a highway exceeds its fair market value immediately prior to damage, but does not include a flood damaged vehicle. A salvage vehicle also includes a vehicle that is determined to be a total loss by an insurance company following an insurance claim.

SEMA	Specialty Equipment Market Association
Specially Constructed Vehicle	A new motor vehicle constructed from any combination of new, used, or homemade parts from other vehicles, and may include a manufacturer's kit. The vehicle does not resemble a specific manufacturer make or model, past or present. This category may include kitcar, ubilt, or assembled type vehicles. A specially constructed vehicle does not include a vehicle that is built to resemble a specific manufacturer's make or model, past or present, such as a replica or a replikit.
Title	Documentary proof of motor vehicle ownership.
Total Loss Vehicle	Total loss vehicle means the decision made by an insurer processing an insurance claim to pay the insured for the vehicle that has been damaged, destroyed, wrecked, or burned rather than paying for its repair.
Vehicle Identification Number (VIN)	The unique series of Arabic numbers and Roman letters that is assigned to a motor vehicle for identification purposes in accordance with 49 C.F.R. 565 and CMVSS s. 115. In 1980, the VIN format was standardized to 17 characters.

Section Two Rebuilt Vehicles

A rebuilt vehicle is a motor vehicle that has been previously titled or registered, that was incapable of operation or use on highways due to damage, and that has been rebuilt to the original design of the vehicle by replacing major component parts with like make and model parts. Prior to being rebuilt the vehicle may have been declared a total loss by an insurance company and branded **Salvage** but does not extend to include non-repairable branded vehicles.

The following best practices help prevent the operation of rebuilt vehicles unfit for road use. These best practices also aim to ensure that the titling and registration is consistent among jurisdictions.

Survey results from the 30 jurisdictions revealed inconsistent titling and registration practices for rebuilt vehicles, indicating a need for best practices. For example, only 60% of responding jurisdictions indicated that a mechanical safety inspection is required and less than half indicated the requirement for a structural integrity inspection prior to issuing a title or registering a rebuilt vehicle.

When referring to structural integrity inspections, such an assessment is typically completed by a qualified collision repair technician. The collision repair technician may provide a written assessment of the structural and body integrity, normally including a full four-wheel alignment.

Mechanical safety inspections are assessments of the main safety and operating systems (such as braking, lighting, steering, occupant protection, etc.) of a vehicle to ensure they are functioning as the manufacturer intended.

It is recommended that the structural integrity and mechanical safety inspection programs be subject to jurisdictional oversight and compliance enforcement, to ensure the integrity and effectiveness of the programs.

Best Practices for Rebuilt Vehicles

Prior to Titling or Registering

- i. Require a passed structural integrity inspection and mechanical safety inspection prior to issuing a title and assigning the rebuilt brand to the vehicle.
- ii. Verify VINs on replacement parts prior to reclassification of the vehicle.
- iii. Ensure VINs on replacement parts are not connected with stolen vehicles.
- iv. Ensure the vehicle was branded **Salvage** or equivalent prior to issuing with a rebuilt brand.
- v. If a rebuilt branded vehicle is declared a total loss, it should be designated as a non-repairable vehicle and should be appropriately re-titled or title-branded to prevent future road use.
- vi. In the event an owner retains a vehicle that has been declared a total loss, the insurer or the owner or both should be required to update the title to reflect the appropriate brand.

Titling

- i. Require official ownership documents to be presented prior to re-titling. Where official documents are not available, the owner shall legally validate ownership in accordance with the jurisdiction's practices.
- ii. Retain vehicle inspection report and a list of all VINs recorded.
- iii. Require and maintain on file the bills of sale, receipts, or other proof of ownership for major component parts that have been replaced.
- iv. Upon issuance of a title, carry forward any brands assigned by other jurisdictions in the past.
- v. Retain in the title records the vehicle's original year, make, and model.
- vi. Upon issuance of a title for the rebuilt vehicle, brand the vehicle consistent with brands used in the National Motor Vehicle Title Information System (NMVTIS) and the Canadian Interprovincial Record Exchange (IRE).
- vii. Buyers or owners of a salvage vehicle may receive title to allow change of ownership or transfer, provided the title indicates the vehicle is NOT allowed for road use.

Flood-damaged Vehicles

Since safety and health problems often become evident only after significant amount of time, it is difficult to determine the complete extent of hidden damage for flood damaged vehicles. Due to the potential for hidden damage, health risks, and long-term electrical problems:

- i. Require that flood damaged vehicles be branded as a non-repairable vehicle.
- ii. Require that none of the components of a flood damaged vehicle be used as donor parts for repairing or rebuilding other vehicles. Jurisdictions should ensure that procedures that require destruction of flood damaged vehicles are in place so that no part of the vehicle may be reused.

Please see the Canadian Council of Motor Transport Administrators Stolen and Wrecked Vehicles Monitoring Program for further information on best practices for Flood Damaged vehicles. http://www.ccmta.ca/english/pdf/swvmp_november_2009.pdf

Section Three Specially Constructed Vehicles

A specially constructed vehicle is a new motor vehicle constructed from any combination of new, used, or homemade parts from other vehicles that does not resemble a specific manufacturer make or model, past or present.

The Specialty Equipment Market Association (SEMA) is actively lobbying states to pass model legislation for the titling and registration of street rods and custom cars to help ease the equipment standards on the hobbyists and omit the emission testing requirements. As of today this model legislation has been enacted in 22 jurisdictions but the legislation does not cover all different types of specially constructed vehicles.

The Working Group surveyed member jurisdictions to learn how the titling process was handled and found that while there was some common elements among jurisdictions, there was no clear way for one jurisdiction to identify a specially constructed vehicle when it was transferred to another jurisdiction, or to identify what inspections the vehicle had passed or what paperwork was submitted to determine the VIN, make, model, or year of the vehicle.

Currently there is not a uniform method of registering and titling these types of vehicles, or establishing proof of ownership; therefore, jurisdictions are urged to adopt the following best practices when titling and registering specially constructed vehicles.

Best Practices for Specially Constructed Vehicles

- i. Assign a new VIN and require it to be affixed by a recognized authority (such as a jurisdictionally appointed or authorized designated inspection facility).
- ii. Require a structural integrity inspection and mechanical safety inspection prior to titling or registration.
- iii. Assign the model year as the year of the initial passed inspection.
- iv. The make should be a term that indicates that it is not a manufactured vehicle. For consistency, the group recommends using the term “constructed” or “assembled”; however, another uniquely identifying term would also be acceptable.
- v. Leave the model field blank (do not designate a model for the vehicle), but capture the vehicle type in a “body style” or similar registration data field.
- vi. Review and retain the source documents such as the bill of sale and receipts for component parts.

Emissions Testing

Where a jurisdiction has an emission testing program, it is recommended that jurisdictions manage this aspect in conjunction with their existing emissions program. The Working Group considered developing best practices for emissions testing but determined it was beyond the scope of this document.

Section Four Conclusion

This document will help to ensure consistent titling and registration and safe use of rebuilt and specially constructed vehicles. By adopting these best practices jurisdictions will also be in a better position to identify these types of vehicles when transferred into another jurisdiction.

These best practices are the first part in a two-part series. Part II will include best practices for the *Title and Registration of Reconstructed and Replica Vehicles* and is scheduled for completion in 2013.

Appendix A Unconventional Vehicles Working Group Charter

I. NAME

The name of the working group shall be the Unconventional Vehicles Working Group, hereafter called the Working Group.

II. PURPOSE AND ANTICIPATED DELIVERABLES

The Working Group shall:

- Develop strategies and best practices to assist member jurisdictions in dealing with unconventional vehicles, existing and emerging, in a uniform and consistent manner; and
- Deliver best practices and recommendations for regulating or restricting on-highway operation and registration of non-conforming vehicles (i.e., those that do not conform to the Canadian Motor Vehicle Safety Standards or the U.S. Federal Motor Vehicle Safety Standards).

III. BACKGROUND

The Working Group was formed in 2005 to review the problems associated with a variety of unconventional and specialty vehicles that motor vehicle administrators and law enforcement officers encounter such as pocket bikes and other non-conforming motorcycles, kit cars, hot-shot rigs, off-road motor vehicles, truck-tractor recreational vehicle conversions, right-hand drive vehicles and non-conforming mini-trucks.

In April 2007, the Working Group delivered to AAMVA the “Best Practices for Title and Registration of a New Motorcycle”. This best practice was developed to encourage a uniform and consistent registration approach for all member jurisdictions to ensure that non-conforming motorcycles (i.e., those

that do not conform to CMVSS/FMVSS as “motorcycles”) are not registered for on-road use.

The group has identified the range of unconventional vehicles that require further review and is developing strategies, policies, and best practices to assist member jurisdictions in dealing with these types of vehicles in a uniform and consistent manner.

IV. MEMBERSHIP

The Working Group shall be comprised of a chair, appointed by the Chair of the Vehicle Standing Committee. In addition, the Working Group will include members from Canada and the United States selected by the Chair of the Vehicle Standing Committee and representing the following AAMVA disciplines: Vehicle Registration and Title; Legal Services; Law Enforcement; Driver Licensing and Control; Motor Carrier Services; and Vehicle Safety and Inspection. Members from other AAMVA disciplines may be added as necessary.

The membership of the Working Group will not exceed 15 members.

Each Working Group member term shall be for two complete fiscal years—a complete fiscal year is from October 1 through September 30. Members may serve additional terms without reappointment until replaced by the Chair of the Vehicle Standing Committee.

V. MEETING PROCEDURES

The Working Group will meet every two months or at the call of the Working Group chair, either by teleconference or in person when necessary.

Costs associated with conference calls and/or travel will be charged against the budget approved by the AAMVA Steering Committee for the Working Group.

Coordination of each Working Group meeting shall be the responsibility of the AAMVA staff liaison assigned to the Working Group, who shall provide notice to members prior to each meeting and maintain and publish minutes of each meeting.

The presence of two-thirds of the members, either in person or by teleconference, shall constitute a quorum. A majority vote of the members present shall constitute an official action of the Working Group.

VII. MEMBER RESPONSIBILITIES

All Working Group members are expected to actively participate in the Working Group's activities and meetings on a regular basis. A member who is unable to participate on a regular basis may be required by the Chair of the Vehicle Standing Committee to resign from the Working Group.

Members are to represent the interests of the AAMVA Vehicle Community.

VIII. BUDGET ESTIMATE

The estimated annual cost for this project is \$20,000 per scheduled face-to-face meeting. The number of meetings and budget will be approved annually by the AAMVA Steering Committee.

IX. CHARTER AMENDMENTS

All proposed amendments to the Charter shall be circulated to all Working Group members by the AAMVA staff liaison, and if approved by a majority of the Working Group, forwarded to the Steering Committee for final approval.

X. WORKING GROUP TERMINATION

The Working Group is a permanent working group of the Vehicle Committee but can be dissolved by the Vehicle Committee upon approval by the Steering Committee.

Appendix B Working Group Members

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Appendix C Survey Results from 30 Jurisdictions

February 2012

Title/Registration Requirements for Non-Compliant Motor Vehicles				
VEHICLE CATEGORIES	REBUILT	RECONSTRUCTED	SPECIALLY CONSTRUCTED	REBODIED
<p><i>Please click ALL boxes for the items in this column that apply in your jurisdiction and specify any others for each of the four vehicle categories, as described.</i></p>	<p>Previously titled/registered vehicle rebuilt to original design by replacing major component parts with like make and model parts. May have been written off (junked) by an insurance company.</p> <p>In BC, categorized as “rebuilt” or “amalgamated”.</p>	<p>Previously titled/registered vehicle materially altered by the removal, addition, or substitution of essential parts, new or used, derived from other vehicles or makes of vehicles.</p> <p>May not resemble specific manufacturer make or model.</p> <p>In BC, categorized as “modified.”</p>	<p>New vehicle constructed from homemade parts, new or used parts from other vehicles, and may include a manufacturer’s kit.</p> <p>Does not resemble a specific manufacturer make or model.</p> <p>Category may include ubilt, replicar, replikit, etc.</p>	<p>New vehicle assembled with new major components licensed by the original manufacturer and other original, new, or reconditioned parts.</p> <p>Usually resembles a specific manufacture make/mode (e.g., brand new steel bodied replica 1932 Ford).</p>
<p><i>EXAMPLES</i></p>				
<p>Pre-titling/ registration requirements that apply in your jurisdiction</p>				
VIN inspection	34	34	34	27
Assigned VIN	16	22	29	22
Mechanical safety inspection	21	19	18	17
Structural integrity inspection	14	13	13	9
Original title/ registration	34	26	25	22
Bills of sale/ receipts for major component parts, including kit	32	30	32	29





Continued

Title/Registration Requirements for Non-Compliant Motor Vehicles (continued)

VEHICLE CATEGORIES	REBUILT	RECONSTRUCTED	SPECIALLY CONSTRUCTED	REBODIED
<i>EXAMPLES</i>				
Certificate to establish the vehicle weight	5	11	16	11
Manufacturer's Certificate/ Statement of Origin for new major components	15	18	24	29
Proof of manufacturer licensing for new body or major components	1	2	3	1
Emissions testing	8	9	9	1
Other (specify):				
How make/model are captured in your jurisdiction's vehicle registry				
Make/model of the previously registered vehicle or major component	28	20	4	5
Make and model that completed vehicle resembles	5	11	8	14
Other (specify):				

Continued

Title/Registration Requirements for Non-Compliant Motor Vehicles (continued)

VEHICLE CATEGORIES	REBUILT	RECONSTRUCTED	SPECIALLY CONSTRUCTED	REBODIED
<i>EXAMPLES</i>				
How model year is captured in your jurisdiction's vehicle registry				
Model year of the previously registered vehicle or major component	29	20	7	6
Model year of the production model the vehicle most closely resembles	4	6	4	12
Model year same as year the vehicle passed inspection	2	5	13	6
Model year that vehicle is registered	1	4	8	4
Other (specify):				



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