

**2021 -- S 0774 SUBSTITUTE A**

LC002585/SUB A

**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2021**

A N A C T

RELATING TO MOTOR AND OTHER VEHICLES -- RHODE ISLAND SALVAGE LAW

Introduced By: Senator Louis P. DiPalma

Date Introduced: April 01, 2021

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 31-46-1 of the General Laws in Chapter 31-46 entitled "Rhode Island  
2 Salvage Law" is hereby amended to read as follows:

3 **31-46-1. Duty of insurance company.**

4 (a) Any insurance company taking possession of a motor vehicle for which a certificate of  
5 title has been issued in this state, that has been declared a total loss because of damage to that  
6 vehicle, in settlement of a claim for damage or theft shall within ten (10) days deliver to the division  
7 of motor vehicles the certificate of title of that vehicle and obtain a salvage certificate of title for  
8 that vehicle as prescribed for by the administrator of the division of motor vehicles. [If the insurance](#)  
9 [company is unable to obtain the certificate of title of the vehicle for more than thirty \(30\) days after](#)  
10 [payment of the total loss claim on the vehicle, the insurance company or its agent may apply for](#)  
11 [and obtain, free and clear of all liens and claims of ownership, a salvage certificate of title in the](#)  
12 [insurance company's name without delivering the certificate of title to the division of motor](#)  
13 [vehicles. Such application shall be accompanied by evidence that the insurance company has paid](#)  
14 [a total loss claim on the vehicle and has attempted to obtain the certificate of title by sending at](#)  
15 [least two \(2\) written attempts, sent by certified mail or by another commercially available delivery](#)  
16 [service providing proof of delivery and addressed to the last known owner of the vehicle and any](#)  
17 [known lienholders, at the address shown on the records of the appropriate registry, in the state in](#)  
18 [which the vehicle is registered.](#)

19 (b) If:

1           (1) A motor vehicle dealer, the primary business of which is the sale of salvage motor  
2 vehicles on behalf of insurance companies, is asked by an insurance company to take possession  
3 of a motor vehicle for which a certificate of title has been issued in this state;  
4           (2) The motor vehicle is the subject of an insurance claim; and  
5           (3) Subsequently a total loss claim is not paid by the insurance company with respect to  
6 such motor vehicle, the motor vehicle dealer may, if such motor vehicle has been abandoned at the  
7 facility of the motor vehicle dealer for more than thirty (30) days, apply for and obtain, free and  
8 clear of all liens and claims of ownership, a salvage certificate of title in such dealer's name without  
9 surrendering the certificate of title to the division of motor vehicles. Such application shall be  
10 accompanied by evidence that the motor vehicle dealer made at least two (2) written attempts, sent  
11 by certified mail or by another commercially available delivery service providing proof of delivery  
12 and addressed to the last known owner of the vehicle and any known lienholders, at the address  
13 shown on the records of the appropriate registry, in the state in which the vehicle is registered, to  
14 have the vehicle removed from the motor vehicle dealer's facility. In such application, the motor  
15 vehicle dealer shall also classify the vehicle as Classification A or Classification B, as such  
16 classifications are described in § 31-46-1.1.

17           SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO MOTOR AND OTHER VEHICLES -- RHODE ISLAND SALVAGE LAW

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1           This act would provide that if an insurance company taking possession of a motor vehicle  
2 that has been declared a total loss is unable to obtain a certificate of title for the vehicle, the  
3 insurance company or its agent may, upon the satisfaction of certain conditions, apply for and  
4 obtain, free and clear of all liens and claims of ownership, a salvage certificate of title in the  
5 insurance company's name without delivering the certificate of title to the division of motor  
6 vehicles.

7           This act would take effect upon passage.

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