



Copart Testimony Concerning House Bill 2576

About Copart

Headquartered in Dallas, Texas, Copart is a global leader in online vehicle auctions, and a premier destination for the resale and remarketing of vehicles. Copart has cleared, stored and sold millions of vehicles for the auto insurance industry. The company operates more than 200 locations in 11 countries and has over 125,000 vehicles up for auction every day. Three of these facilities are in Oregon, located in Eugene, Portland and Woodburn.

Significance of Salvage Titles: Section 2(3)

Each state has different thresholds for when a vehicle is to receive a salvage title. Some states outside of Oregon allow, and even require, that vehicles receive an unbranded title if minimal damage thresholds are not met, or are due to certain loss types.

A problem arises, which Copart experienced in two other states, when an incident results in a total loss claim, yet the damage was insufficient to receive a salvage title and then the vehicle is relocated to another state such as Oregon.

When this happens consumers will receive salvage titles after transferring their vehicle, based on this previous loss history by utilizing the Nation Motor Vehicle Title Information System (NMVTIS JSI) data. This results in the value of a consumer's vehicle being significantly diminished.

Copart believes the language at Section 2(3) of the bill will reduce the standard for vehicles issued a salvage title and allow outside influences like NMVTIS JSI data to be used to create title brands. That section reads:

(3) If the department is satisfied that the vehicle is totaled or substantially altered, the department may:

(a) Issue a salvage title and cancel and retire the vehicle's registration and title; or

(b) Issue a branded title.

It is Copart's position that vehicles should not automatically be given a salvage title based solely on information supplied by an insurance company or other reporting source to NMVTIS JSI, or due to a previous loss history that did not include enough damage for a salvage title. Our position is title brands should be carried over from state to state, but salvage title definitions in the state where the loss occurred is what needs to be honored for branding purposes. There are many reasons why a vehicle could be declared a total loss, yet not have sufficient damage to warrant a salvage title in states outside of Oregon. A handful of examples include:

- Stolen vehicles that have not been recovered
- Stolen vehicles that are recovered with minimal damage
- Weather losses – hail and wind



- Parts delays that prevent repairs from being completed
- Evidence holds in a lawsuit
- Vehicles involved in a crime with no structural damage such as carjacking, vandalism, etc.
- A personal situation when the owner does not want the vehicle back, such as death in the vehicle, loss of a pet, etc.

Information that is supplied by NMVTIS JSI is still available to consumers in commercially available vehicle history reports for full disclosure prior to sale. Because of this, the total loss history is still available to any consumer.

Proposed solution

To address this concern, Copart recommends amending Section 2(3) by adding verbiage such as the following:

(3) The department shall not, based on information reported pursuant to sec. 49 U.S.C 30504 or regulations promulgated thereunder:

(a) Issue a salvage title or a nonrepairable vehicle certificate, or

(b) Enter any notation on a certificate of title or into any record pertaining to any vehicle.

Thank you for your consideration.

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