

One thing is certain in the state of Colorado: when it comes to the issue of salvage vehicles, especially reselling them, it is not without controversy.

As a matter of fact, the state assembly has been inking updates to the law during the past couple of years trying to seal loopholes and leaks in the old statutes that allowed for abusive practices to occur in the salvage industry.

The good news that has come out of all that legislative muscle is that it is now illegal when selling a vehicle not to disclose whether it was rebuilt from salvage. It is only a misdemeanor, but at least there is now something in place to protect the buyer after years of citizen complaints.

A salvage vehicle is characterized as one being "damaged in excess of fair market value." In layperson's terms, this means totaled. The causes can be numerous: natural disaster, vandalism, fire, or collision.

Generally, we think of these types of vehicles as the domain of junkyards and insurance companies, that when a car is totaled it spends the remainder of its existence in a scrap heap being parted out. But in reality, salvage vehicles provide a decent business for a variety of individuals and organizations that opt to rebuild and resell these vehicles, especially ones with "minimal" total damage.

While most of these individuals and businesses are legit, there have been certain distortions of representation in the past that have led people to buy vehicles without knowing the salvaged origin. Those days are hopefully gone thanks to the state legislature; now when you buy a rebuilt salvage vehicle, there is a good deal of paperwork involved revealing the vehicle history.

The Salvage Process Applying for a Salvage Title

The first step in resuscitating a totaled vehicle is transferring whatever title once existed into a salvage title. Colorado provides a handy Application for Salvage Title form to simplify the step and to declare all the relevant information indicating the vehicle is no longer roadworthy.

Once the form is completed the state will issue a salvage title. Possessing this title allows you to sell the vehicle without making any repairs, but the new buyer will need to get a salvage title in his/her name.

Salvage Title to Regular Title

There are necessary procedures to complete in order to acquire a Certificate of Title for a salvage vehicle made roadworthy but still holding a salvage title.

Fill out a Salvage Title Statement of Fact. This form requests declaration of the methods and parts used to transform the vehicle into a condition deemed acceptable to drive on Colorado roads.

On the salvage title, sign off in the provided area attesting to the vehicle being roadworthy.

As stated by Colorado law, the words "Rebuilt From Salvage" are required to be etched or stamped onto the vehicle in letters 1/4 inch high or larger. On most motor vehicles, the proper spot is the post to which the driver's door fastens.

Have the vehicle inspected (fee of \$20 for this service) and a Verification of Vehicle Identification Number completed by a law enforcement officer. Contact your local title and registration office for a referral. An inspection must be less than one year old.

Bring all of the forms, receipts for parts, and inspection approval to the title and registration office to complete the application process.

A Certificate of Title will be issued with the phrase "Rebuilt from Salvage" labeled on it.

When selling the vehicle you must fill out a Rebuilt from Salvage Disclosure form, which the new buyer will bring to the county motor vehicle office when transferring the title.