

Fifty-sixth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2321

Introduced by

Senator Tomac

Representatives Mickelson, Renner

1 A BILL for an Act to amend and reenact sections 39-05-17.2 and 39-05-20.2 of the North
2 Dakota Century Code, relating to vehicle damage disclosure.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 39-05-17.2 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **39-05-17.2. Body damage disclosure - Rules - When required - Penalty.**

- 7 1. The department shall adopt rules relating to the manner and form of disclosing
8 motor vehicle body damage on the certificate of title to a motor vehicle. The rules
9 must provide for a damage disclosure statement from the transferor to the
10 transferee at the time ownership of a motor vehicle is transferred and provide that
11 the department ~~must refuse to~~ may not transfer the title without the required
12 damage disclosure statement. The statement must disclose the total amount of
13 damage done to the motor vehicle and, if the damage was covered by insurance,
14 the total amount of insurance proceeds received to repair the damage.
- 15 2. Motor vehicle body damage disclosure requirements apply only to the transfer of
16 title on all current year models of motor vehicles and those models manufactured in
17 the seven years before the current model year. When a motor vehicle has been
18 subject to this disclosure requirement and more than eight years have elapsed
19 since the date of manufacture, the holder of the certificate of title with the damage
20 disclosure may have the disclosure removed and a new certificate of title issued for
21 a fee of five dollars.
- 22 3. As used in this section, "motor vehicle body damage" means a change in the body
23 or structure of a motor vehicle, generally resulting from a vehicular crash or
24 accident, including loss by fire, vandalism, weather, or submersion in water,

1 resulting in damage to the motor vehicle which equals or exceeds the greater of
2 five thousand dollars or forty percent of the predamage retail value of the motor
3 vehicle as determined by the national automobile dealers association official used
4 car guide. The term does not include body or structural modifications, normal wear
5 and tear, glass damage, hail damage, or items of normal maintenance and repair.

- 6 4. A person repairing, replacing parts, or performing body work on a motor vehicle
7 that is less than eight years old shall provide a statement to the owner of the motor
8 vehicle when the motor vehicle has sustained motor vehicle body damage
9 requiring disclosure under this section. The owner shall disclose this damage
10 when ownership of the motor vehicle is transferred. When a vehicle is damaged in
11 excess of seventy-five percent of its retail value as determined by the national
12 automobile dealers association official used car guide, the person repairing,
13 replacing parts, or performing body work on the motor vehicle that is less than
14 eight years old shall also advise the owner of the motor vehicle that the owner of
15 the vehicle must comply with section 39-05-20.2.

- 16 5. The amount of damage to a motor vehicle is determined by adding the retail value
17 of all labor, parts, and material used in repairing the damage. When the retail
18 value of labor has not been determined by a purchase in the ordinary course of
19 business, for example when the labor is performed by the owner of the vehicle, the
20 retail value of the labor is presumed to be the product of the repair time, as
21 provided in a generally accepted autobody repair flat rate manual, multiplied by
22 thirty-five dollars.

- 23 6. A person who violates this section or rules adopted pursuant to this section is guilty
24 of a class A misdemeanor.

25 **SECTION 2. AMENDMENT.** Section 39-05-20.2 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **39-05-20.2. Issuance of salvage certificate of title.** The owner of a vehicle that is
28 damaged in excess of seventy-five percent of its retail value as determined by the national
29 automobile dealers association official used car guide, shall forward the title for that vehicle to
30 the department within ten days and the department shall issue a salvage certificate of title.

1 If a vehicle for which a salvage certificate of title has been issued is reconstructed, a
2 regular certificate of title may be obtained by completing an application for the certificate. The
3 applicant shall include with the application a certificate of inspection in the form required by the
4 department, the salvage certificate of title, and a five dollar fee. The department shall place on
5 the regular certificate of title and on all subsequent certificates of title issued for the vehicle, the
6 words "previously salvaged" and a notation that damage disclosure information is available
7 from the department. In addition, the owner of the vehicle shall provide a damage disclosure
8 statement to a transferee at the time ownership of the vehicle is transferred describing the total
9 amount of damage to the vehicle before its reconstruction in accordance with section
10 39-05-17.2. The department may not issue a new certificate unless the vehicle identification
11 number of the vehicle has been inspected and found to conform to the description given in the
12 application or unless other proof of the identity of the vehicle has been provided to the
13 satisfaction of the department.