

Introduced by

1 A BILL for an Act to amend and reenact sections 39-05-05, 39-05-16.1, 39-05-17 and 39-05-33  
2 of the North Dakota Century Code, relating to the filing of liens on a motor vehicle; and to repeal  
3 section 39-05-17.1 of the North Dakota Century Code, relating to the delivery of a certificate of  
4 title.

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

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

8 **39-05-05. Application for certificate of title - Contents - Fee to accompany.**

- 9 1. An application for a certificate of title must be made upon ~~an appropriate~~ a form  
10 ~~furnished or approved~~ by the department and must contain all of the following:
- 11 a. A full description of the vehicle, including the name of the manufacturer, either  
12 the engine, serial, or identification number, and any other distinguishing  
13 marks. The department may assign a vehicle identification number for a  
14 vehicle not otherwise assigned a number. The assigned number must be  
15 permanently affixed to the vehicle and the department may require the vehicle  
16 be inspected before issuing a certificate of title for the vehicle.
- 17 b. A statement as to whether the vehicle is new or used.
- 18 c. A statement ~~of the applicant's title and of any liens or encumbrances upon the~~  
19 ~~vehicle~~ the names and addresses of any lienholders in the order of priority.
- 20 d. The name and address of the person to whom the certificate of title must be  
21 delivered.
- 22 e. ~~The names and addresses of any lienholders in the order of their priority and~~  
23 ~~the dates of their security agreements.~~

- 1           f.    If applicable, a statement as to whether the vehicle ~~for which certificate of title~~  
2           ~~is sought~~ is a specially constructed, reconstructed, or foreign vehicle, ~~such~~  
3           ~~facts must be stated in the application.~~
- 4           g.    f.    The ~~buyer's~~ owners street address, city, and county, or township and county,  
5           of residence ~~and the~~ a dealer shall make specific inquiry ~~relative thereto as to~~  
6           this information before filling in ~~such~~ the information on the application.
- 7           h.    g.    The department may require odometer disclosure information as required  
8           under the Truth in Mileage Act of 1986 [Pub. L. 99-579].
- 9           i.    h.    ~~Such~~ Any other information as required by the department ~~may require.~~
- 10          2.    The owner of every vehicle ~~which that~~ has been registered outside of this state  
11          shall surrender to the department the certificate of title and registration card or  
12          other evidence ~~which that~~ may satisfy the department the applicant is the lawful  
13          owner or possessor of the vehicle.
- 14          3.    If the vehicle for which certificate of title is sought is a new vehicle, ~~no a~~ a certificate  
15          of title may not be issued unless a certificate of origin executed by the  
16          manufacturer of ~~such the~~ vehicle is attached to the application for registration or is  
17          attached to the application for the certificate of title for the vehicle. If the new  
18          vehicle for which certificate of title is sought is of foreign manufacture, the  
19          certificate of origin must be furnished by the importer of the vehicle. The  
20          manufacturer or importer of all new vehicles shall designate the total shipping  
21          weight of the vehicle on the certificate of origin.
- 22          4.    When a new vehicle is purchased from a dealer, the application for the certificate  
23          of title must include a statement of the transfer by the dealer ~~and of any lien~~  
24          ~~retained by the dealer or other lienholder. If the title to the vehicle is reserved by~~  
25          ~~the dealer or other lienholder, the certificate must be made out to the dealer or~~  
26          ~~lienholder and delivered to that person as the owner or lienholder of the vehicle.~~
- 27          5.    ~~Every~~ Each application must be accompanied by a fee of five dollars, which is in  
28          addition to any fee charged for the registration of ~~such the~~ vehicle.

29          **SECTION 2. AMENDMENT.** Section 39-05-16.1 of the North Dakota Century Code is  
30          amended and reenacted as follows:

31          **39-05-16.1. Release of a security interest.**

- 1           1.   Upon the satisfaction of a security interest in a vehicle for which the certificate of  
2           title is in the possession of the lienholder, the lienholder shall, within ten days after  
3           demand, and in any event within thirty days, execute a release of the lienholder's  
4           security interest ~~as in a manner prescribed by the department prescribes.~~ The  
5           lienholder shall:
  - 6           a.   Mail or deliver the certificate of title and release to the next lienholder named  
7           on the certificate of title, who shall, within thirty days of receipt, mail or deliver  
8           the certificate of title, release, and a fee of five dollars to the department. The  
9           department shall issue and mail or deliver a new certificate of title to the first  
10          lienholder named on the new certificate of title.
  - 11          b.   If there are no other lienholders named on the certificate of title, mail or deliver  
12          the certificate of title and release to the owner or ~~any other person who~~  
13          ~~delivers to the lienholder an authorization from the owner to receive the~~  
14          ~~certificate of title and release~~ the owner's designee. The person receiving the  
15          certificate of title and release shall, within thirty days of receipt, mail or deliver  
16          the certificate of title, release, and a fee of five dollars to the department. The  
17          department may prescribe further application procedures and, upon  
18          determining that there has been a proper compliance with these procedures,  
19          shall issue a new certificate of title and mail or deliver it to the owner or ~~any~~  
20          ~~person the owner authorizes to receive it~~ owner's designee.
- 21          2.   Upon the satisfaction of a security interest in a vehicle for which the certificate of  
22          title is in the possession of a prior lienholder, the lienholder whose security interest  
23          is satisfied shall within ten days after demand and, in any event within thirty days,  
24          execute a release in the form the department prescribes and deliver the release to  
25          the owner or ~~any person who delivers to the lienholder an authorization from the~~  
26          ~~owner to receive it~~ the owner's designee. ~~The~~ If the owner delivers the release to  
27          the lienholder in possession of the certificate of title upon receipt of the release that  
28          the lienholder in possession of the certificate of title shall either deliver the  
29          ~~certificate of title to the owner or the person authorized by the owner for delivery to~~  
30          ~~the department; or, upon receipt of the release, mail or deliver it with~~ the release

1           and the certificate of title to the department ~~which shall~~, upon the payment of a five  
2           dollar fee, issue a new certificate.

3           **SECTION 3. AMENDMENT.** Section 39-05-17 of the North Dakota Century Code is  
4           amended and reenacted as follows:

5           **39-05-17. Transfer of title of vehicle - Endorsement required - Certificate of title**  
6           **delivered - New certificate obtained - Penalty.**

7           1. The owner of a motor vehicle who ~~sells or~~ transfers title to a vehicle shall endorse  
8           an assignment and warranty of title upon the certificate of title for the vehicle, ~~with~~  
9           ~~a statement whether there are liens or encumbrances thereon, which statement~~  
10          ~~must be verified by the owner.~~ The owner shall include on the assignment and  
11          warranty of title the name of the ~~purchaser~~ transferee and the selling price of the  
12          vehicle. ~~The~~

13          2. If legal title passes to the transferee, the owner shall deliver the endorsed  
14          certificate of title to the ~~purchaser if title passes to the purchaser~~ within fifteen  
15          days.

16          3. If the legal title does not pass to the purchaser under the terms of the contract for  
17          ~~sale of the vehicle~~ transferee but to a lienholder, the lienholder transferee shall  
18          ~~endorse thereon a statement that the lienholder holds the lien, the date thereof,~~  
19          ~~and the name of the purchaser, and shall send the certificate of title to the~~  
20          department with an application ~~of the purchaser~~ for a new certificate of title  
21          showing the name of the new owner; and lienholder, and the date of the lien of the  
22          ~~lienholder, which.~~ The certificate of title when issued must be returned sent by the  
23          department to the lienholder, ~~who shall retain the same in the lienholder's~~  
24          ~~possession until the terms of the contract are complied with by the purchaser, and~~  
25          ~~thereupon, after showing the lien has been paid and satisfied the lienholder shall~~  
26          ~~deliver the certificate of title properly assigned to the purchaser. The purchaser or~~  
27          ~~or the department may use an electron~~ ic lien notification procedure in lieu of  
28          sending a certificate of title to a lienholder within thirty days after receipt, the  
29          transferee shall ~~present~~ deliver the endorsed ~~and assigned~~ certificate of title to the  
30          department, ~~within thirty days after the receipt thereof, accompanied by~~ with a  
31          transfer fee of five dollars, and shall make an application for ~~and obtain~~ a new

1 certificate of title ~~for the vehicle~~. In addition to any other penalty, the registration to  
2 a motor vehicle may be suspended or revoked ~~whenever~~ if the ~~purchaser or~~  
3 transferee fails to present the endorsed ~~and assigned~~ certificate of title to the  
4 department for transfer and make application for a new certificate of title within ~~the~~  
5 ~~prescribed~~ thirty days. The department shall deliver the new certificate of title to  
6 the lienholder with priority. If there is no lienholder, delivery is made to the  
7 ~~purchaser~~ new owner.

8 4. A violation of the provisions of this section by a owner or transferee is a class B  
9 misdemeanor.

10 **SECTION 4. AMENDMENT.** Section 39-05-33 of the North Dakota Century Code is  
11 amended and reenacted as follows:

12 **39-05-33. General penalty.** Any person except the department violating any of the  
13 provisions of this chapter for which another penalty is not provided specifically is guilty of a  
14 class B misdemeanor.

15 **SECTION 5. REPEAL.** Section 39-05-17.1 of the of the North Dakota Century Code is  
16 repealed.