

Sixty-sixth  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO. 1407**

Introduced by

Representatives Grueneich, Blum, Bosch, Howe, Schobinger

Senator Meyer

1 A BILL ~~for an Act to amend and reenact sections 39-05-20.1 and 39-05-20.2 of the North-~~  
2 ~~Dakota Century Code, relating to salvage certificates of title.~~ for an Act to amend and reenact  
3 section 39-05-20 of the North Dakota Century Code, relating to the issuance of certificates of  
4 vehicle title.

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

6 **~~SECTION 1. AMENDMENT.~~** ~~Section 39-05-20.1 of the North Dakota Century Code is~~  
7 ~~amended and reenacted as follows:~~

8 ~~— **39-05-20.1. Salvage certificate of title.**~~

9 ~~— The department shall issue a salvage certificate of title for a salvaged or destroyed vehicle~~  
10 ~~when the owner of the vehicle has returned the certificate of title for the vehicle to the~~  
11 ~~department or when there has been compliance with subsection 2, 3, or 4 of section~~  
12 ~~39-05-20.2. The department shall prescribe the form and content of the salvage certificate of~~  
13 ~~title. The certificate must include a prominent notation that it has been issued for a salvaged~~  
14 ~~motor vehicle.~~

15 ~~— **SECTION 2. AMENDMENT.** Section 39-05-20.2 of the North Dakota Century Code is~~  
16 ~~amended and reenacted as follows:~~

17 ~~— **39-05-20.2. Issuance of salvage certificate of title.**~~

18 ~~— 1. — The~~ Except as provided in subsections 2, 3, and 4, the owner of a vehicle that is  
19 damaged in excess of seventy-five percent of the vehicle's retail value as determined  
20 by the national automobile dealers association official used car guide shall forward the  
21 title for that vehicle to the department within ten days and the department shall issue a  
22 salvage certificate of title. Glass damage and hail damage must be excluded in the  
23 determination of whether a vehicle has been damaged in excess of seventy-five  
24 percent of the vehicle's retail value.

- 1 — 2. ~~Notwithstanding any other provision of law, if an insurer, as a result of a total loss~~  
2 ~~settlement, acquires a vehicle damaged as described in subsection 1 but is unable to~~  
3 ~~obtain the properly assigned certificate of title, the insurer may apply for, and must be~~  
4 ~~issued, a salvage certificate of title, free and clear of all liens and claims of ownership,~~  
5 ~~and in the insurer's name without surrendering the certificate of title.~~
- 6 — a. ~~The application must be accompanied by evidence the insurer has paid a total~~  
7 ~~loss claim on the vehicle and has made at least two written attempts, addressed~~  
8 ~~to the owner of record and any known lienholder, to obtain the certificate of title.~~
- 9 — b. ~~If the acquired vehicle has not sustained damage as described in subsection 1,~~  
10 ~~the insurer may apply for, and must be issued, a certificate of title, free and clear~~  
11 ~~of all liens and claims of ownership, and in the insurer's name without~~  
12 ~~surrendering the certificate of title.~~
- 13 — c. ~~If required by section 39-05-17.2, an application made under this subsection~~  
14 ~~must be accompanied by a damage disclosure statement, which is not required~~  
15 ~~to be signed by the transferor.~~
- 16 — 3. ~~Notwithstanding any other provision of law, if an insurer requests a licensed used~~  
17 ~~motor vehicle dealer take possession of a vehicle that is the subject of an insurance~~  
18 ~~claim and, subsequently, a total loss claim is not paid by the insurer with respect to the~~  
19 ~~vehicle, the dealer may apply for and must be issued a salvage certificate of title, free~~  
20 ~~and clear of all liens and claims of ownership, and in the dealer's name without~~  
21 ~~surrendering the certificate of title, if the vehicle has been abandoned at the facility of~~  
22 ~~the dealer for more than thirty days.~~
- 23 — a. ~~The application must be accompanied by evidence the dealer made at least two~~  
24 ~~written attempts, addressed to the owner of record and any known lienholder, to~~  
25 ~~have the vehicle removed from the facility, upon payment of applicable charges.~~
- 26 — b. ~~If the vehicle has not sustained damage as described in subsection 1, the dealer~~  
27 ~~may apply for, and must be issued, a certificate of title for the vehicle, free and~~  
28 ~~clear of all liens and claims of ownership, and in the dealer's name without~~  
29 ~~surrendering the certificate of title.~~

- ~~c. If required by section 39-05-17.2, an application made under this subsection must be accompanied by a damage disclosure statement, which is not required to be signed by the transferor.~~
- ~~4. Notwithstanding any other provision of law, if a vehicle has been donated to an organization recognized by the internal revenue service as tax exempt under 26 U.S.C. 501(c)(3), but the organization is unable to obtain the properly assigned certificate of title, the organization may apply for, and must be issued, a salvage certificate of title in the organization's name without surrendering the certificate of title.~~
- ~~a. The application must be accompanied by evidence the organization made at least two written attempts, addressed to the owner of record, to obtain the certificate of title.~~
- ~~b. If the donated vehicle has not sustained damage as described in subsection 1, the organization may apply for, and must be issued, a certificate of title for the vehicle in the organization's name without surrendering the certificate of title.~~
- ~~c. If required by section 39-05-17.2, an application made under this subsection must be accompanied by a damage disclosure statement, which is not required to be signed by the transferor.~~
- ~~5. If a vehicle for which a salvage certificate of title has been issued is reconstructed, a regular certificate of title may be obtained by completing an application for the certificate. The applicant shall include with the application a certificate of inspection in the form required by the department, the salvage certificate of title, and a five dollar fee. The department shall place on the regular certificate of title and on all subsequent certificates of title issued for the vehicle the words "previously salvaged" and a notation that damage disclosure information is available from the department. The department may not issue a new certificate unless the vehicle identification number of the vehicle has been inspected and found to conform to the description given in the application or unless other proof of the identity of the vehicle has been provided to the satisfaction of the department.~~
- ~~3.6. The certificate of inspection required under this section must be completed by a business that is registered with the secretary of state, is in good standing, and offers motor vehicle repair to the public. The business completing the certificate of inspection~~

~~may not be the business that reconstructed the vehicle and must state the vehicle is in compliance with the requirements of chapter 39-21.~~

**SECTION 1. AMENDMENT.** Section 39-05-20 of the North Dakota Century Code is amended and reenacted as follows:

**39-05-20. Transferee may obtain new certificate of title upon inability to obtain old certificate - Proof of ownership - Appeal.**

1. When the transferee of a vehicle is unable to obtain a properly assigned certificate of title for a vehicle, and makes application for a new certificate and presents satisfactory proof of ownership, the department may cancel the old certificate and issue a new certificate to the transferee, provided that the department may not issue a certificate of title for a manufactured home with respect to which there has been recorded an affidavit of affixation under section 47-10-27. Satisfactory proof of ownership must include compliance by the transferee with the procedures outlined in title 35, that the transferee has paid for the vehicle, and that the transferee made at least two written attempts by certified mail with return receipt addressed to the owner of record and any known lienholder to obtain the certificate of title.

2. The department may establish procedures for determining satisfactory proof of ownership of a vehicle in those cases when the department is unable to determine the legal owner of record. Any person aggrieved by a decision of the department as to ownership of a vehicle may appeal that decision to the district court under chapter 28-32.

~~2.3.~~ A person holding a certificate of title whose interests in the vehicle have been extinguished or transferred other than by voluntary transfer shall mail or deliver the certificate to the department upon request of the department. The delivery of the certificate pursuant to the request of the department does not affect the rights of the person surrendering the certificate. The action of the department in issuing a new certificate of title as provided herein is not conclusive upon the rights of the owner or lienholder listed in the old certificate.