

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.

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

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

6 **39-05-20.1. Salvage certificate of title.**

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

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

15 **39-05-20.2. Issuance of salvage certificate of title.**

- 16 1. The~~Except as provided in subsections 2, 3, and 4, the~~ owner of a vehicle that is
17 damaged in excess of seventy-five percent of the vehicle's retail value as determined
18 by the national automobile dealers association official used car guide shall forward the
19 title for that vehicle to the department within ten days and the department shall issue a
20 salvage certificate of title. Glass damage and hail damage must be excluded in the
21 determination of whether a vehicle has been damaged in excess of seventy-five
22 percent of the vehicle's retail value.
- 23 2. Notwithstanding any other provision of law, if an insurer, as a result of a total loss
24 settlement, acquires a vehicle damaged as described in subsection 1 but is unable to

1 obtain the properly assigned certificate of title, the insurer may apply for, and must be
2 issued, a salvage certificate of title, free and clear of all liens and claims of ownership,
3 and in the insurer's name without surrendering the certificate of title.

4 a. The application must be accompanied by evidence the insurer has paid a total
5 loss claim on the vehicle and has made at least two written attempts, addressed
6 to the owner of record and any known lienholder, to obtain the certificate of title.

7 b. If the acquired vehicle has not sustained damage as described in subsection 1,
8 the insurer may apply for, and must be issued, a certificate of title, free and clear
9 of all liens and claims of ownership, and in the insurer's name without
10 surrendering the certificate of title.

11 c. If required by section 39-05-17.2, an application made under this subsection
12 must be accompanied by a damage disclosure statement, which is not required
13 to be signed by the transferor.

14 3. Notwithstanding any other provision of law, if an insurer requests a licensed used
15 motor vehicle dealer take possession of a vehicle that is the subject of an insurance
16 claim and, subsequently, a total loss claim is not paid by the insurer with respect to the
17 vehicle, the dealer may apply for and must be issued a salvage certificate of title, free
18 and clear of all liens and claims of ownership, and in the dealer's name without
19 surrendering the certificate of title, if the vehicle has been abandoned at the facility of
20 the dealer for more than thirty days.

21 a. The application must be accompanied by evidence the dealer made at least two
22 written attempts, addressed to the owner of record and any known lienholder, to
23 have the vehicle removed from the facility, upon payment of applicable charges.

24 b. If the vehicle has not sustained damage as described in subsection 1, the dealer
25 may apply for, and must be issued, a certificate of title for the vehicle, free and
26 clear of all liens and claims of ownership, and in the dealer's name without
27 surrendering the certificate of title.

28 c. If required by section 39-05-17.2, an application made under this subsection
29 must be accompanied by a damage disclosure statement, which is not required
30 to be signed by the transferor.

- 1 4. Notwithstanding any other provision of law, if a vehicle has been donated to an
2 organization recognized by the internal revenue service as tax exempt under
3 26 U.S.C. 501(c)(3), but the organization is unable to obtain the properly assigned
4 certificate of title, the organization may apply for, and must be issued, a salvage
5 certificate of title in the organization's name without surrendering the certificate of title.
6 a. The application must be accompanied by evidence the organization made at
7 least two written attempts, addressed to the owner of record, to obtain the
8 certificate of title.
9 b. If the donated vehicle has not sustained damage as described in subsection 1,
10 the organization may apply for, and must be issued, a certificate of title for the
11 vehicle in the organization's name without surrendering the certificate of title.
12 c. If required by section 39-05-17.2, an application made under this subsection
13 must be accompanied by a damage disclosure statement, which is not required
14 to be signed by the transferor.
15 5. If a vehicle for which a salvage certificate of title has been issued is reconstructed, a
16 regular certificate of title may be obtained by completing an application for the
17 certificate. The applicant shall include with the application a certificate of inspection in
18 the form required by the department, the salvage certificate of title, and a five dollar
19 fee. The department shall place on the regular certificate of title and on all subsequent
20 certificates of title issued for the vehicle the words "previously salvaged" and a
21 notation that damage disclosure information is available from the department. The
22 department may not issue a new certificate unless the vehicle identification number of
23 the vehicle has been inspected and found to conform to the description given in the
24 application or unless other proof of the identity of the vehicle has been provided to the
25 satisfaction of the department.
26 3-6. The certificate of inspection required under this section must be completed by a
27 business that is registered with the secretary of state, is in good standing, and offers
28 motor vehicle repair to the public. The business completing the certificate of inspection
29 may not be the business that reconstructed the vehicle and must state the vehicle is in
30 compliance with the requirements of chapter 39-21.