

HOUSE BILL NO. 1243
with Senate Amendments

Fifty-fifth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1243

Introduced by

Representatives Wald, Timm, Skarphol

Senator Mutch

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 motor vehicle body damage disclosure and salvage certificate
3 of title; and to provide a penalty.

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

5 **SECTION 1. AMENDMENT.** Section 39-05-17.2 of the 1995 Supplement to the North
6 Dakota Century Code is amended and reenacted as follows:

7 **39-05-17.2. Body damage disclosure - Rules - When required - Penalty.**

8 1. Before January 1, 1992, the The department shall adopt rules relating to the
9 manner and form of disclosing motor vehicle body damage on the certificate of title
10 to a motor vehicle. The rules must provide for a damage disclosure statement
11 from the transferor to the transferee at the time ownership of a motor vehicle is
12 transferred and provide that the department must refuse to transfer the title without
13 the required damage disclosure statement.

14 2. Motor vehicle body damage disclosure requirements apply only to the transfer of
15 title on all current year models of motor vehicles and those models manufactured
16 in the nine years before the current model year. When a motor vehicle has been
17 subject to this disclosure requirement and more than ten years have elapsed since
18 the date of manufacture, the holder of the certificate of title with the damage
19 disclosure may have the disclosure removed and a new certificate of title issued
20 for a fee of five dollars.

21 3. As used in this section, "motor vehicle damage" means a change in the body or
22 structure of a motor vehicle, generally resulting from a vehicular crash or accident,
23 including loss by fire, vandalism, weather, or submersion in water, resulting in
24 damage to the motor vehicle which equals or exceeds the greater of five thousand

dollars or forty percent of the predamage retail value of the motor vehicle as determined by the national automobile dealers association official used car guide.

The term does not include body or structural modifications, normal wear and tear, glass damage, hail damage, or items of normal maintenance and repair.

4. A person repairing, replacing parts, or performing body work on a motor vehicle that is less than ten years old shall provide a statement to the owner of the motor vehicle when the motor vehicle has sustained motor vehicle damage requiring disclosure under this section. The owner shall disclose this damage when ownership of the motor vehicle is transferred. When a vehicle is damaged in excess of seventy-five percent of its retail value, the person repairing, replacing parts, or performing body work on the motor vehicle that is less than ten years old shall also advise the owner of the motor vehicle that the owner of the vehicle must comply with section 39-05-20.2.

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

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

SECTION 2. AMENDMENT. Section 39-05-20.2 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

39-05-20.2. Issuance of salvage certificate of title. ~~Any person or organization who completely destroys or completely dismantles a vehicle so as to cause that vehicle to lose its identity~~ The owner of a vehicle that is damaged in excess of seventy-five percent of its retail value shall forward the title for that vehicle to the department within ten days and the department shall issue a salvage certificate of title.

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

1 applicant shall include with the application a certificate of inspection in the form required by the
2 department, the salvage certificate of title, and a five dollar fee. The department shall place on
3 the regular certificate of title and on all subsequent certificates of title issued for the vehicle, a
4 notation that damage disclosure information is available from the department. The department
5 may not issue a new certificate unless the vehicle identification number of the vehicle has been
6 inspected and found to conform to the description given in the application, or unless other proof
7 of the identity of the vehicle has been provided to the satisfaction of the department.