

Sixty-fifth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1352

Introduced by

Representatives M. Johnson, Rick C. Becker, Dockter, Kading, B. Koppelman, Lefor, Owens,
Steiner

Senators Campbell, Casper, Clemens

1 A BILL for an Act to amend and reenact sections 24-03-23, 39-26-02, 39-26-04, 39-26-06,
2 39-26-07, 39-26-08, and 47-30.1-23 of the North Dakota Century Code, relating to custody and
3 disposition of abandoned motor vehicles and deposit of funds; and to declare an emergency.

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

5 **SECTION 1. AMENDMENT.** Section 24-03-23 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **24-03-23. Encroachments on state highways.**

8 No part of the right of way for state highways may be encroached upon by erection thereon
9 of anya structure, or placing thereon any personal property, other than a temporary parking of a
10 motor vehicle, without a written permit from the director. AnyAn encroachment may be caused
11 to be removed, obliterated, or corrected by order of the director and the total cost thereof must
12 be paid by the person responsible for the encroachment. Property other than motor vehicles left
13 upon highway right of way for a period exceeding seventy-two hours, the ownership of which
14 cannot be determined after reasonable effort has been made to do so, must be deemed
15 abandoned and may be removed from the right of way and stored at the nearest site available
16 for thirty days and if it is not claimed by the owner during such period, and the cost of removal
17 and storage paid, it may be disposed of in the manner prescribed by the director. Abandoned
18 motor vehicles are subject to the provisions of sections 39-26-01 through 39-26-11. If such
19 property is disposed of it must, except as otherwise provided by this section, be sold or
20 disposed of in the manner provided in sections 39-26-05 through 39-26-09. The receipts
21 therefrom must be deposited in the state treasury as provided in section 1 of article IX of the
22 Constitution of North Dakota and credited to the permanent school fund unless a commercial
23 towing service lawfully disposes of the abandoned motor vehicle.

1 **SECTION 2. AMENDMENT.** Section 39-26-02 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **39-26-02. Definitions.**

4 As used in this chapter, unless the context or subject matter otherwise requires:

- 5 1. "Abandoned motor vehicle" means a motor vehicle, as defined in section 39-01-01,
6 that has remained for a period of more than forty-eight hours on public property
7 illegally or lacking vital component parts, or ~~has remained for a period of more than~~
8 ~~forty-eight hours~~ is located on private property without consent of the person in control
9 of such property or in an inoperable condition such that it has no substantial potential
10 further use consistent with its usual functions unless it is kept in an enclosed garage or
11 storage building. It also means a motor vehicle voluntarily surrendered by its owner to
12 a person duly licensed under section 39-26-10. An antique automobile, as defined in
13 section 39-04-10.4, and other motor vehicles to include parts car and special interest
14 vehicles, may not be considered an abandoned motor vehicle within the meaning of
15 this chapter.
- 16 2. "Collector" means the owner of one or more special interest vehicles who collects,
17 purchases, acquires, trades, or disposes of special interest vehicles or parts thereof
18 for the person's own use in order to restore, preserve, and maintain a special interest
19 vehicle or antique vehicle.
- 20 3. "Commercial towing service" means a registered business in North Dakota that tows
21 motor vehicles.
- 22 4. "Department" means the state department of health.
- 23 ~~4.5.~~ "Parts car" means a motor vehicle generally in nonoperable condition which is owned
24 by the collector to furnish parts to restore, preserve, and maintain a special interest
25 vehicle or antique vehicle.
- 26 ~~5.6.~~ "Special interest vehicle" means a motor vehicle which is at least twenty years old and
27 which has not been altered or modified from original manufacturer's specifications
28 and, because of its historic interest, is being preserved by hobbyists.
- 29 ~~6.7.~~ "Unit of government" includes a state department or agency, a county, city, township,
30 or other political subdivision.

1 7-8. "Vital component parts" means those parts of a motor vehicle that are essential to the
2 mechanical functioning of the vehicle, including, but not limited to, the motor, drive
3 train, and wheels.

4 **SECTION 3. AMENDMENT.** Section 39-26-04 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **39-26-04. Custody of abandoned vehicle.**

7 Units of government may take into custody and impound ~~any~~an abandoned motor vehicle. If
8 requested by an owner, lessee, tenant, or occupant of private property, a commercial towing
9 service may remove and take into custody an abandoned motor vehicle located on the private
10 property.

11 **SECTION 4. AMENDMENT.** Section 39-26-06 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **39-26-06. Notice to owner of abandoned vehicle.**

- 14 1. When an abandoned motor vehicle does not fall within the provisions of section
15 39-26-05, the unit of government or commercial towing service taking it into custody
16 shall give notice of the taking within ten days. The notice must set forth the date and
17 place of the taking, the year, make, model, and serial number of the abandoned motor
18 vehicle and the place where the vehicle is being held, must inform the owner and any
19 lienholders or secured parties of their right to reclaim the vehicle under section
20 39-26-07, and must state that failure of the owner or lienholders or secured parties to
21 exercise their right to reclaim the vehicle is deemed a waiver by them of all right, title,
22 and interest in the vehicle and a consent to the sale~~disposal~~ of the vehicle ~~at a public~~
23 auktion pursuant to section 39-26-08.
- 24 2. The notice must be sent by certified mail, return receipt requested, to the registered
25 owner, if any, of the abandoned motor vehicle and to all readily identifiable lienholders
26 or secured parties of record. If it is impossible to determine with reasonable certainty
27 the identity and address of the registered owner and all lienholders, the notice must be
28 published once in a newspaper of general circulation in the area where the motor
29 vehicle was abandoned. Published notices may be grouped together for convenience
30 and economy.

1 **SECTION 5. AMENDMENT.** Section 39-26-07 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **39-26-07. Right of owner to reclaim abandoned vehicle.**

4 1. The owner, secured parties, or ~~any~~ lienholder of an abandoned motor vehicle has a
5 right to reclaim such vehicle from the unit of government taking ~~the motor vehicle~~ into
6 custody upon payment of all towing and storage charges resulting from taking the
7 vehicle into custody within ~~fifteen~~ thirty days after the date of the notice required by
8 section 39-26-06.

9 2. The owner, secured parties, or a lienholder of an abandoned motor vehicle has a right
10 to reclaim such vehicle from a commercial towing service taking the motor vehicle into
11 custody upon payment of all towing and storage charges resulting from taking the
12 vehicle into custody within thirty days after receipt of the notice required by section
13 39-26-06.

14 ~~2-3.~~ Storage charges under subsection 2 may not exceed fifty dollars per day for an
15 abandoned vehicle weighing less than one ton [907.18 kilograms].

16 4. Nothing in this chapter may be construed to impair any lien of a garagekeeper under
17 the laws of this state or the right of a lienholder or secured parties to foreclose. For the
18 purposes of this section, "garagekeeper" is an operator of a parking place or
19 establishment, an operator of a motor vehicle storage facility, or an operator of an
20 establishment for the servicing, repair, or maintenance of motor vehicles.

21 **SECTION 6. AMENDMENT.** Section 39-26-08 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **39-26-08. ~~Public sale~~Disposal of vehicle - Disposition of proceeds.**

24 1. An abandoned motor vehicle not more than seven model years of age taken into
25 custody by a unit of government and not reclaimed under section 39-26-07 must be
26 sold to the highest bidder at public auction or sale, following reasonable published
27 notice thereof. The purchaser must be given a receipt in a form prescribed by the
28 department which shall be sufficient title to dispose of the vehicle. The receipt also
29 entitles the purchaser to register the vehicle and receive a certificate of title, free and
30 clear of all liens and claims of ownership. The license plates displayed on an

1 abandoned vehicle must be removed and destroyed prior to the purchaser taking
2 possession of the vehicle.

3 2. From the proceeds of the sale of an abandoned motor vehicle, the unit of government
4 shall reimburse itself for the cost of towing, preserving, and storing the vehicle, and all
5 notice and publication costs incurred pursuant to this chapter. Any remainder from the
6 proceeds of a sale must be held for the owner of the vehicle or entitled lienholder or
7 secured parties for ninety days and then must be deposited in the state treasury as
8 provided in section 1 of article IX of the Constitution of North Dakota and credited to
9 the permanent school fund.

10 3. If a commercial towing service takes custody of an abandoned motor vehicle not more
11 than seven model years of age and the vehicle is not reclaimed under
12 section 39-26-07, the commercial towing service may obtain a release from the
13 department of transportation which is sufficient title to dispose of the vehicle. The
14 release entitles the commercial towing service to register the vehicle and receive a
15 certificate of title, free and clear of all liens and claims of ownership. The license plates
16 displayed on the abandoned vehicle must be removed and destroyed upon receipt of
17 the new title.

18 4. From the proceeds of the sale of an abandoned motor vehicle, the commercial towing
19 service may reimburse itself for the cost of towing, preserving, and storing the vehicle,
20 and for all notice and publication costs incurred under this chapter. Any remainder
21 from the proceeds of a sale must be held for the owner of the vehicle or entitled
22 lienholder or secured parties for ninety days and then must be delivered to the
23 administrator of the state abandoned property office in accordance with chapter
24 47-30.1.

25 **SECTION 7. AMENDMENT.** Section 47-30.1-23 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **47-30.1-23. Deposit of funds - Continuing appropriation.**

28 1. Except as otherwise provided by this section, the administrator shall promptly deposit
29 in the state treasury to the credit of the common schools trust fund all funds received
30 under this chapter, including the proceeds from the sale of abandoned property under
31 section 47-30.1-22.

- 1 2. The administrator shall promptly deposit in the state treasury to the credit of the
2 permanent school fund all funds received from the sale of abandoned property under
3 section 47-30.1-22 which were delivered to the administrator in accordance with
4 section 39-26-08.
- 5 3. There is appropriated annually the amounts necessary to pay all expense deductions
6 under this section, including:
- 7 a. Any costs in connection with the sale of abandoned property;
8 b. Costs of mailing, publication, and outreach efforts in connection with any
9 abandoned property;
10 c. Reasonable service charges;
11 d. Costs incurred in examining records of holders of property and in collecting the
12 property from those holders;
13 e. Funds for the payment of claims; and
14 f. Funds for the payment of holder refunds.

15 **SECTION 8. EMERGENCY.** This Act is declared to be an emergency measure.