

Introduced by

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

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

5 **SECTION 1. AMENDMENT.** Section 39-05-17 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **39-05-17. Transfer of title of vehicle - Endorsement required - Certificate of title**
8 **delivered - New certificate obtained - Penalty.**

- 9 1. The owner of a motor vehicle who sells or transfers title to a vehicle shall endorse
10 an assignment and warranty of title upon the certificate of title for the vehicle, ~~with~~
11 ~~a statement whether there are liens or encumbrances thereon, which statement~~
12 ~~must be verified by the owner.~~ The owner shall include on the assignment and
13 warranty of title the name of the purchaser and the selling price of the vehicle. ~~The~~
14 2. ~~If legal title passes to the purchase, the~~ owner shall deliver the endorsed certificate
15 ~~of title to the purchaser if title passes to the purchaser within fifteen 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 but to a lienholder, the lienholder purchaser~~ shall endorse
18 ~~thereon~~ a statement that the lienholder holds the lien, ~~the date thereof, and the~~
19 ~~name of the purchaser,~~ and shall send the certificate of title to the department with
20 an application ~~of the purchaser~~ for a new certificate of title showing the name of the
21 new owner, and lienholder, and the date of the lien of the lienholder, which . ~~The~~
22 certificate of title when issued must be returned sent by the department to the
23 lienholder, ~~who shall retain the same in the lienholder's possession until the terms~~
24 ~~of the contract are complied with by the purchaser, and thereupon, after showing~~

1 ~~the lien has been paid and satisfied the lienholder shall deliver the certificate of title~~
2 ~~properly assigned to the purchaser~~ or the department may use an electronic lien
3 notification procedure in lieu of sending a certificate of title to a lienholder.

4 4. ~~The purchaser or transferee~~ Within thirty days after receipt, the new owner shall
5 ~~present~~ deliver the endorsed ~~and assigned~~ certificate to the department, ~~within~~
6 ~~thirty days after the receipt thereof, accompanied by~~ with a transfer fee of five
7 dollars, and shall make an application for ~~and obtain~~ a new certificate ~~of title for the~~
8 ~~vehicle~~. In addition to any other penalty, the registration to a motor vehicle may be
9 suspended or revoked ~~whenever~~ if the purchaser ~~or transferee~~ fails to present the
10 endorsed ~~and assigned~~ certificate ~~of title~~ to the department for transfer and make
11 application for a new certificate ~~of title~~ within ~~the prescribed~~ thirty days. The
12 department shall deliver the new certificate of title to the lienholder with priority. If
13 there is no lienholder, delivery is made to ~~the purchaser~~ new owner.

14 5. A violation of the provisions of this section by a owner or purchaser is a class B
15 misdemeanor.

16 **SECTION 2. REPEAL.** Section 39-05-17.1 of the of the North Dakota Century Code is
17 repealed.