

SENATE BILL NO. 2165

Introduced by

Senators Vedaa, Clemens, Kreun

Representatives D. Anderson, M. Ruby, Vetter

1 A BILL for an Act to ~~create and enact two new sections to chapter 20.1-13 of the North Dakota~~
2 ~~Century Code, relating to watercraft total loss statements and the issuance of a salvage~~
3 ~~certificate number; and to~~ amend and reenact subdivision d of subsection 12 of section
4 57-39.2-01 of the North Dakota Century Code, relating to the definition of gross receipts.

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

6 ~~SECTION 1. A new section to chapter 20.1-13 of the North Dakota Century Code is created~~
7 ~~and enacted as follows:~~

8 ~~Watercraft total loss statement.~~

9 ~~1. An owner of a stolen or totally destroyed watercraft shall provide the game and fish~~
10 ~~department with a notarized statement from the insurance company within three years~~
11 ~~from the date of issuance verifying the watercraft was a total loss and stating the~~
12 ~~amount compensated by the insurance company for the loss.~~

13 ~~2. The statement from the insurance company must accompany the owner's application~~
14 ~~for a certificate of number for a replacement watercraft.~~

15 ~~3. If the owner is not able to use the full amount of the credit under section 57-39.2-01 for~~
16 ~~the purchase of a replacement watercraft, the game and fish department shall record~~
17 ~~on the face of the notarized statement the necessary information to identify the partial~~
18 ~~use of the credit and shall retain a copy and return the original to the owner.~~

19 ~~SECTION 2. A new section to chapter 20.1-13 of the North Dakota Century Code is created~~
20 ~~and enacted as follows:~~

21 ~~Issuance of salvage certificate of number.~~

22 ~~1. The department shall issue a salvage certificate of number for a salvaged or destroyed~~
23 ~~watercraft when the owner of the watercraft has returned the certificate of number for~~
24 ~~the watercraft to the department. The department shall prescribe the form and content~~

1 ~~of the salvage certificate of number. The certificate must include a prominent notation~~
2 ~~that the certificate has been issued for a salvaged watercraft.~~

3 ~~2. The owner of a watercraft damaged in excess of seventy-five percent of the~~
4 ~~watercraft's retail value as determined by the national automobile dealers association~~
5 ~~official used boat guide shall forward the title for the watercraft to the department~~
6 ~~within ten days and the department shall issue a salvage certificate of number.~~

7 ~~3. If a watercraft for which a salvage certificate of number has been issued is~~
8 ~~reconstructed, a regular certificate of number may be obtained by completing an~~
9 ~~application for the certificate. The applicant shall include with the application a~~
10 ~~certificate of inspection in the form required by the department, the salvage certificate~~
11 ~~of number, and a five-dollar fee. The department shall place on the regular certificate~~
12 ~~of number and on all subsequent certificates of number issued for the watercraft the~~
13 ~~words "previously salvaged" and a notation that damage disclosure information is~~
14 ~~available from the department. The department may not issue a new certificate unless~~
15 ~~the identification number has been inspected and found to conform to the description~~
16 ~~given in the application or unless other proof of the identity of the watercraft has been~~
17 ~~provided to the satisfaction of the department.~~

18 ~~4. The certificate of inspection required under this section must be completed by a~~
19 ~~business registered with the secretary of state, is in good standing, and offers marine~~
20 ~~repair to the public. The business completing the certificate of inspection may not be~~
21 ~~the business that reconstructed the vehicle.~~

22 **SECTION 1. AMENDMENT.** Subdivision d of subsection 12 of section 57-39.2-01 of the
23 North Dakota Century Code is amended and reenacted as follows:

24 d. "Gross receipts" does not include:

- 25 (1) Discounts, including cash, term, or coupons that are not reimbursed by a
26 third party, which are allowed by a seller and taken by a purchaser on a
27 sale;
- 28 (2) Interest, financing, and carrying charges from credit extended on the sale of
29 personal property or services, if the amount is separately stated on the
30 invoice, bill of sale, or similar document given to the purchaser;

- 1 (3) Any taxes legally imposed directly on the consumer that are separately
2 stated on the invoice, bill of sale, or similar documents given to the
3 purchaser; and
- 4 (4) The sale price of property returned by a customer when the full sale price is
5 refunded either in cash or credit. When tangible personal property is taken
6 in trade or in a series of trades as a credit or part payment of a retail sale
7 taxable under this chapter, if the tangible personal property traded in will be
8 subject to tax imposed by chapter 57-39.5 or 57-40.3 or if the tangible
9 personal property traded in is used farm machinery or used irrigation
10 equipment, the credit or trade-in value allowed by the retailer is not included
11 in gross receipts of the retailer; and

12 (5) ~~The amount stated on a notarized statement of loss, pursuant to section 1 of~~
13 ~~this Act, to be credited against the purchase of a watercraft to replace a~~
14 ~~stolen or totally destroyed watercraft. If a watercraft is purchased by an~~
15 ~~owner who has had a watercraft stolen or totally destroyed, a credit or~~
16 ~~trade-in credit must be allowed against one or more replacement watercraft~~
17 ~~purchases in a cumulative amount not to exceed the total amount the~~
18 ~~purchaser has been compensated by an insurance company for the loss~~
19 ~~and the credit is not included in the gross receipts of the retailer. The amount~~
20 of compensation received from an insurance company for the loss of a
21 stolen or totally destroyed watercraft that has been previously taxed under
22 this chapter or chapter 57-40.2. if that compensation is used as a trade-in
23 on the purchase of a replacement watercraft. The trade-in credit is not
24 included in the gross receipts of the retailer.

25 (a) If a watercraft is purchased by an owner who has had a watercraft
26 stolen or totally destroyed, a trade-in credit must be allowed against
27 one or more replacement watercraft purchases in a cumulative
28 amount not to exceed the total amount of compensation from the
29 insurance company for the loss.

30 (b) The purchaser of a replacement watercraft shall provide the seller
31 with an original notarized statement from the insurance company

1 verifying the original watercraft was a total loss and indicating the date
2 and amount of compensation.

3 (c) If the full amount of trade-in credit under this section has not been
4 used, the seller shall record on the face of the notarized statement the
5 necessary information to identify partial use of the credit, retain a copy
6 of the notarized statement to verify the credit allowed, and return the
7 original notarized statement to the purchaser. If the full amount of the
8 credit has been used, the seller shall retain the original notarized
9 statement to verify the amount of trade-in credit allowed.

10 (d) Trade-in credit for a watercraft stolen or totally destroyed may be
11 applied to purchases of replacement watercraft made within three
12 years from the date of compensation by the insurance company.