

Introduced by

Senators Thomas, Cory, Clemens

Representatives Grueneich, D. Ruby

1 A BILL for an Act to amend and reenact subsection 1 of section 39-04-36 and section 39-05-20
2 of the North Dakota Century Code, relating to obtaining a new vehicle certificate of title and the
3 removal of number plates on a vehicle.

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

5 **SECTION 1. AMENDMENT.** Subsection 1 of section 39-04-36 of the North Dakota Century
6 Code is amended and reenacted as follows:

7 1. Whenever the ownership of a vehicle registered under the provisions of this chapter,
8 chapter 39-18, or chapter 39-29.2 is transferred or assigned, the registration of the
9 vehicle expires and the transferor shall remove the number plates, unless the number
10 plates have not had valid registration for ten years.

11 **SECTION 2. AMENDMENT.** Section 39-05-20 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **39-05-20. Transferee may obtain new certificate of title upon inability to obtain old**
14 **certificate - Proof of ownership - Appeal.**

15 1. When the transferee of a vehicle is unable to obtain a properly assigned certificate of
16 title for a vehicle, and makes application for a new certificate and presents satisfactory
17 proof of ownership, the department may cancel the old certificate and issue a new
18 certificate to the transferee, provided that the department may not issue a certificate of
19 title for a manufactured home with respect to which there has been recorded an
20 affidavit of affixation under section 47-10-27. Except as otherwise provided by this
21 subsection, satisfactory proof of ownership must include compliance by the transferee
22 with the procedures outlined in title 35.

23 a. If the transferee is an insurer that has paid a total loss claim on a vehicle but the
24 payment has not satisfied all liens of record on the vehicle, the transferee is not

1 required to comply with the procedures outlined in title 35 to establish satisfactory
2 proof of ownership and the department may cancel the old certificate of title and
3 issue a new certificate to the insurer free and clear of all liens and claims of
4 ownership.

5 b. If the transferee is a tax exempt organization under section 501(c)(3) of the
6 Internal Revenue Code [26 U.S.C. 501(c)(3)] to which a vehicle has been
7 donated, the transferee shall provide an affidavit providing proof the vehicle was
8 donated.

9 c. If the transferee is a licensed motor vehicle dealer that, at the request of an
10 insurer, took possession of a vehicle that is the subject of an insurance claim but
11 for which a total loss claim is not paid by the insurer and the vehicle has been in
12 the possession of the dealer for more than thirty days, the necessary satisfactory
13 proof of ownership includes only proof the dealer made at least two written
14 attempts by certified mail with return receipt addressed to the owner of record
15 and any known lienholder to have the vehicle removed from the dealer's facility,
16 upon payment of applicable charges. If satisfactory proof of ownership is
17 established, the department may cancel the old certificate of title and issue a new
18 certificate to the licensed motor vehicle dealer free and clear of all liens and
19 claims of ownership.

20 d. If the transferee is an individual and the vehicle is less than forty years old at the
21 time of the application, satisfactory proof of ownership must include that the
22 transferee has paid for the vehicle, and that the transferee made at least two
23 written attempts by certified mail with return receipt addressed to the owner of
24 record and any known lienholder to obtain the certificate of title. If satisfactory
25 proof of ownership is established, the department shall cancel the old certificate
26 of title and issue a new certificate to the individual, subject to any existing lien.

27 e. If the transferee is an individual and the vehicle is more than forty years old at the
28 time of the application, satisfactory proof of ownership is established by a bill of
29 sale or statement of ownership. If satisfactory proof of ownership is established,
30 the department shall cancel the old certificate of title and issue a new certificate
31 to the individual, subject to any existing lien. When valuing a vehicle transferred

- 1 under this subdivision, the department shall use the sale price on the bill of sale if
2 a bill of sale is presented. The department may only request an appraisal of the
3 vehicle if a bill of sale is not presented to the department.
- 4 2. The department may establish procedures for determining satisfactory proof of
5 ownership of a vehicle in those cases when the department is unable to determine the
6 legal owner of record. The procedures may include determining the validity of any
7 liens on a certificate of title. Any person aggrieved by a decision of the department as
8 to ownership of a vehicle may appeal that decision to the district court under chapter
9 28-32.
- 10 3. A person holding a certificate of title whose interests in the vehicle have been
11 extinguished or transferred other than by voluntary transfer shall mail or deliver the
12 certificate to the department upon request of the department. The delivery of the
13 certificate pursuant to the request of the department does not affect the rights of the
14 person surrendering the certificate. The action of the department in issuing a new
15 certificate of title as provided herein is not conclusive upon the rights of the owner or
16 lienholder listed in the old certificate.
- 17 4. If the department can verify the ownership of a vehicle, any vehicle with a vehicle
18 identification number may be transferred under this section regardless of the condition
19 of the vehicle.