

## ALTERNATIVE METHODS FOR RECORDING AND DISCHARGING MOTOR VEHICLE LIENS STUDY - BACKGROUND MEMORANDUM

Senate Concurrent Resolution No. 4011 (attached as Appendix A) directs a study of the alternative methods for recording and discharging a lien on a motor vehicle. The resolution states the reasons for the study include problems with a lien on a motor vehicle not being properly recorded or discharged and the availability of new technologies to simplify the procedures and requirements relating to recording and discharging a motor vehicle lien. The main problem discussed in the testimony related to this study arises when a lending institution releases a lien on a motor vehicle and mails it to the owner and the owner has moved or the owner receives the title with the lien release and thereafter loses the title. Although either situation may be remedied, a later sale of the motor vehicle may be delayed.

### TITLE REGISTRATION

North Dakota Century Code (NDCC) Chapter 39-05 provides for title registration for vehicles. There is a different procedure under Chapter 39-04 for vehicle registration. A title registration is done to show ownership, while vehicle registration is done to license the vehicle for operation on the public highways in this state. This study relates to title registration.

Title registration is done by making or transferring a certificate of title (attached is Appendix B). Generally, the owner of a vehicle is required to obtain a certificate of title for that vehicle. A vehicle that is not titled may not be registered. A vehicle that is not registered may not be driven on the highways of this state.

This study focuses on liens in the title registration process. There are different instances for which a lien, sometimes called a security interest, may be noted on the face of the title. The most common instance is when a buyer purchases a new or used motor vehicle with borrowed money for which the buyer gives a lien on the vehicle as collateral for the loan by the person that loaned the money. Another instance is when the owner of a vehicle uses a motor vehicle as collateral for a loan made for a purpose other than buying the vehicle. Another instance occurs when a storage or repairman's lien is placed on a vehicle for unpaid storage or repair bills.

The instances in which a lien may be removed from the title are threefold. In the first instance, the loan is paid off and the owner retains the motor vehicle, i.e., the lien or security interest is satisfied and there is no transfer of the vehicle. In the second instance, the lien is satisfied as part of a transfer of a motor vehicle to a dealer as a trade-in on another

vehicle. In the third instance, the motor vehicle is sold and as part of that sale the proceeds are used to satisfy the lien so that the buyer has clear title.

The different instances of when a lien is noted on or removed from the title are explained because in practice there are different practical considerations for each instance. Any change in the title registration procedure should be applied to each of these situations to determine if the change will have the desired result. For example, although the owner is required to obtain a title when purchasing from a dealer, the dealer may prepare the appropriate paperwork for the owner, but when purchasing from a private party, the owner may provide the paperwork and the purchaser may complete the paperwork.

The law deals with liens in the following manner. One rule permeates the law. In every instance, the person with the first lien has or should have the title.

North Dakota Century Code Section 39-05-05 provides for the application for a certificate of title. Under subsection 1, an applicant for a certificate of title must provide among other information a statement of the applicant's title and other liens and encumbrances on the vehicle along with the names and addresses of any lienholders in the order of their priority with the dates of the security agreements to the Department of Transportation. Under subsection 4, if a new vehicle is purchased from a dealer, the applicant is required to submit a certificate of origin with a statement of the transfer by the dealer and any lien retained by the dealer or other lienholder before the department issues a certificate of title. The lienholder is considered the legal title owner, and the department sends the title to the lienholder.

North Dakota Century Code Section 39-05-09 provides for the contents of a certificate of title. Under this section, a certificate of title must contain, among other things, a statement of the owner's title, of all liens and encumbrances upon the vehicle, and whether possession of the certificate of title is held by the owner or lienholder. The reverse side of the certificate contains a space for the notation of liens and encumbrances on the vehicle at the time of a transfer. The amount of the lien is not required to be placed on the certificate of title, and the department is to deliver the certificate of title to the owner or first lienholder.

Under NDCC Section 39-05-09.1, if a certificate of title is lost or destroyed, the first lienholder or, if none, the owner, shall make application for a duplicate title. The title is mailed to the first lienholder named on the title or, if none, to the owner.

North Dakota Century Code Section 39-05-16.1 provides for the release of a security interest. This section requires the lienholder upon the satisfaction of a security interest to execute a release. The release must be issued within 10 days after demand and in any event within 30 days. The lienholder is to deliver the certificate of title and release to the next lienholder or, if none, to the owner. If the next lienholder receives the title and release, the lienholder is to deliver the title and release to the department. The delivery must occur within 10 days after demand and in any event within 30 days. The department then issues and delivers the title to the first lienholder on the title. If the owner receives the title and release, the owner is to deliver the title and release to the department within 30 days. The department then issues a new certificate of title and delivers it to the owner.

Subsection 2 of NDCC Section 39-05-16.1 provides for the procedure of releasing a security interest when the lienholder does not have possession of the title, e.g., the possession of the title lies with another lienholder. In this instance, the lienholder whose security interest is satisfied is to execute a release and deliver the release to the owner. The lienholder in possession of the title upon receipt of the release is to deliver the release and the title to the department. The department then issues a new certificate to the lienholder.

North Dakota Century Code Section 39-05-17 provides for the transfer of a title. Under this section the owner of a motor vehicle who sells the vehicle endorses an assignment and warranty of title on the back of the certificate of title and verifies whether there are liens or encumbrances on the vehicle. The owner is to deliver the certificate of title to the purchaser if title passes to the purchaser. If the title does not pass to the purchaser, the lienholder endorses a statement that the lienholder holds a lien and sends the title to the department with the application of the purchaser for a new certificate of title showing the name of the owner and lienholder which is returned by the department to the lienholder who retains the title until the terms of the lien are satisfied by the purchaser. After showing the lien has been satisfied, the lienholder is to deliver the certificate of title to the purchaser. The purchaser is required to present the title to the department within 30 days, and the department is required to issue a new certificate of title. If there is another lienholder, the department shall deliver the title to the lienholder with priority.

The following are instructions given to the employees at the department for transferring a title. The instructions combine the statutory provisions contained in NDCC Sections 39-05-16.1, 39-05-17, and 39-05-17.1. The "Part 1," "Part 2," and "Part 3" references refer to the labeled parts on the certificate of title. The end result is the title attached as Appendix C.

#### TITLE TRANSFER:

1. Lien (if any) on front of title must be released.
2. Part 1 must be signed by the owner as shown on front of title. If the title is in the name of a company, it must be countersigned. Name and address of the new owner must be typed or printed legibly. Odometer information must be completed, if applicable, and the purchaser must sign and print the purchaser's name.
3. Part 2 must be completed if vehicle is sold by a dealer. Dealer must sign and show dealer number. Name and address of the new owner must be typed or printed legibly. Odometer information must be completed, if applicable, and purchaser must sign and print the purchaser's name.
4. Part 3 (purchaser's certificate) must be completed and signed by the new owner. If co-owned, Part 3 must be signed by both or countersigned (i.e., John and Mary Doe - by John Doe). If in the company name, it must be countersigned (i.e., Smith Company by John Smith, President).
5. Seller must deliver title to purchaser within 15 days.
6. Purchaser must submit title to the division for transfer within 30 days of receipt.
7. Title transfer fee is \$5.

Under NDCC Section 39-05-17.1, when a vehicle is sold, the seller is to deliver the certificate of title within 15 days to the buyer, unless the vehicle is subject to any liens, then the title must be delivered to the first lienholder.

Under NDCC Section 39-05-17.3 a transaction does not create a security interest because an agreement provides that the rental price may be adjusted by reference to the amount realized upon sale.

North Dakota Century Code Section 39-05-33 provides that any person violating a provision of Chapter 39-05 for which another penalty is not provided is guilty of a Class B misdemeanor. The chapter places duties on lienholder's owners, the department, repair shops, and police officers. Violations of any of these provisions, some being merely procedural, would theoretically be a Class B misdemeanor.

#### SUGGESTED STUDY APPROACH

The legislative history reveals the main reason for the study was that owners, upon the release of a lien and the delivery of the title with the lien released to the owner, sometimes lost the title, and this creates a problem in the resale of the vehicle. Although instances like this may be remedied, they do require a certain amount of days, which may not be fast enough for an owner who has an eager buyer. The solution to this problem and a general improvement on the efficiency of the administration of titles and liens could be

for liens to be filed electronically. Other states provide for or are investigating the electronic filing of titles and liens. A review of other states' experiences may be useful to the committee.

According to a representative from the Department of Transportation, legislative action would not be required for the implementation of an electronic title and lien system; however, legislative action may be advantageous so as to clarify existing statutory

language to comply with the new system or if there would be a significant cost to the system. The committee may want to receive testimony from the Department of Transportation, motor vehicle dealers, and financial institutions on these expected costs and any savings.

ATTACH:3

**Fifty-eighth Legislative Assembly of North Dakota  
In Regular Session Commencing Tuesday, January 7, 2003**

**SENATE CONCURRENT RESOLUTION NO. 4011  
(Senator Trenbeath)**

A concurrent resolution directing the Legislative Council to study alternative methods for recording and discharging a lien on a motor vehicle.

**WHEREAS**, it is the legislative responsibility to review existing laws to ensure that laws address the problems the laws are intended to rectify; and

**WHEREAS**, current state law regarding the procedures for recording and discharging a lien on a motor vehicle have not changed in more than thirty years; and

**WHEREAS**, specific requirements for the recording and discharging of a lien on a motor vehicle are provided in state law; and

**WHEREAS**, North Dakota citizens and the Department of Transportation have previously experienced problems when a lien on a motor vehicle is not properly recorded or discharged; and

**WHEREAS**, new technologies exist that simplify the procedures and requirements related to recording and discharging a lien on motor vehicles;

**NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF NORTH DAKOTA, THE HOUSE OF REPRESENTATIVES CONCURRING THEREIN:**

That the Legislative Council study the requirements for recording and discharging a lien on a motor vehicle and the desirability of adopting laws that provide alternative methods to recording and discharging a lien on a motor vehicle; and

**BE IT FURTHER RESOLVED**, that the Legislative Council report its findings and recommendations, together with any legislation required to implement the recommendations, to the Fifty-ninth Legislative Assembly.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Chief Clerk of the House

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2003,  
at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State



**Part 2. FIRST DEALER ASSIGNMENT AND WARRANTY OF TITLE (DELIVER TITLE TO BUYER WITHIN 15 DAYS FROM DATE OF SALE)**

Name of Buyer(s) First, Middle, Last		<input type="checkbox"/> Check if Joint Tenants with Right of Survivorship is desired	Selling Price	Daytime Phone #
Address		City	State	Zip Code
			County	
ODOMETER DISCLOSURE: Federal and State laws require that you state the mileage in connection with the transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment. I certify to the best of my knowledge the odometer reading is the actual mileage of the vehicle unless one of the following statements is checked: <input type="checkbox"/> 1-The mileage stated is in excess of its mechanical limits. <input type="checkbox"/> 2-The odometer reading is not the actual mileage. <b>(WARNING*ODOMETER DISCREPANCY)</b>			Odometer Reading <b>NO TENTHS</b>	Date of Sale
Name of Dealer	Dealer License Number	Signature of Buyer	Date (Mo., Day, Year)	
		<b>X</b>		
Signature of Authorized Agent	Date (Mo., Day, Year)	Signature of Buyer	Date (Mo., Day, Year)	
<b>X</b>		<b>X</b>		
Hand Printed (Not Typed) Name of Authorized Agent		Hand Printed (Not Typed) Name(s) of Buyer(s)		

**Part 2A. SECOND DEALER ASSIGNMENT AND WARRANTY OF TITLE (DELIVER TITLE TO BUYER WITHIN 15 DAYS FROM DATE OF SALE)**

Name of Buyer(s) First, Middle, Last		<input type="checkbox"/> Check if Joint Tenants with Right of Survivorship is desired	Selling Price	Daytime Phone #
Address		City	State	Zip Code
			County	
ODOMETER DISCLOSURE: Federal and State laws require that you state the mileage in connection with the transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment. I certify to the best of my knowledge the odometer reading is the actual mileage of the vehicle unless one of the following statements is checked: <input type="checkbox"/> 1-The mileage stated is in excess of its mechanical limits. <input type="checkbox"/> 2-The odometer reading is not the actual mileage. <b>(WARNING*ODOMETER DISCREPANCY)</b>			Odometer Reading <b>NO TENTHS</b>	Date of Sale
Name of Dealer	Dealer License Number	Signature of Buyer	Date (Mo., Day, Year)	
		<b>X</b>		
Signature of Authorized Agent	Date (Mo., Day, Year)	Signature of Buyer	Date (Mo., Day, Year)	
<b>X</b>		<b>X</b>		
Hand Printed (Not Typed) Name of Authorized Agent		Hand Printed (Not Typed) Name(s) of Buyer(s)		

**Part 3. PURCHASER'S CERTIFICATION AND APPLICATION (PRESENT TO DEPARTMENT OF TRANSPORTATION WITHIN 30 DAYS)**

<b>MOTOR VEHICLE EXCISE TAX EXEMPTIONS</b> 1. Gift from wife, husband, parent, child, brother or sister (Circle One) 2. Joint tenancy with right of survivorship and now vehicle is being put in one name only 3. Inheritance 4. Change of name by marriage, adoption or court order (Circle One) 5. Vehicle acquired through a lease purchase agreement (Circle One) A. If tax was paid on the total lease consideration, tax is due on the lease buyout amount. B. If tax was paid on the full purchase price and you have been in possession of the vehicle over one year, no tax is due. C. If tax was paid on the full purchase price and you have been in possession of the vehicle for less than one year, tax is due on the lease buyout amount. 6. State Fleet 7. Lien change --- RECORD ODOMETER READING _____ 8. Interstate carriers --- Account Number _____ 9. Tax paid to state that grants reciprocity to North Dakota (Proof Required) 10. Transfer into state by non-resident 11. Dealer resale - USED vehicle 12. Dealer resale - NEW vehicle		13. Tribal (form SFN 18085 required) 14. Disabled American Veteran or Former Prisoner of War 15. Nonprofit senior citizens' or mobility impaired persons' corporation owned buses 16. Mobility impaired persons purchasing specially equipped vehicles 17. Homemade vehicles 18. Newly formed partnership or corporation (Circle One) Date formed _____ 19. Dissolved partnership or corporation (Circle One) Date dissolved _____ 20. Parochial or private school buses 21. Assembled vehicles by motor vehicle dealer (form SFN 22056 required) 22. Transfer into family trust --- Trust date _____ 23. Military home of record --- entry or discharge (Circle One) 24. Mobile Home (form SFN 3004 required) 25. North Dakota political subdivisions 26. Repossession (form SFN 2880 required) 27. Non-resident military lease 28. Other
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**NOTICE:** Persons making a false entry or altering a government document are guilty of a class A misdemeanor, punishable by a penalty of up to \$2,000 and/or one year in jail.

1. Full purchase price of vehicle	\$ _____
2. Less trade-in allowance	\$ _____
3. Difference	\$ _____
4. Tax (5% of line 3)	\$ _____
5. Title fee	\$ <b>5.00</b>
6. TOTAL	\$ _____

**FIRST LIEN**

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Vehicle Identification Number of Trade-In \_\_\_\_\_

Year and Make of Trade-In \_\_\_\_\_

I reside in the county of: \_\_\_\_\_

**SECOND LIEN**

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

The buyer (applicant), subject to the penalties of law, certifies the purchase price of the vehicle described on the reverse side of this certificate. The buyer makes application for certificate of title to the vehicle, having acquired it subject to the liens stated. The buyer certifies the vehicle is and will continue to be insured while operating upon public streets and highways.

Signature of Buyer  
**X**

Date (Mo., Day, Year) \_\_\_\_\_

Signature of Buyer  
**X**

Date (Mo., Day, Year) \_\_\_\_\_



**CERTIFICATE OF TITLE FOR A VEHICLE**  
 NORTH DAKOTA DEPARTMENT OF TRANSPORTATION  
 SFN 2875 (Rev. 06-98)

MOTOR VEHICLE DIVISION  
 608 EAST BOULEVARD AVENUE  
 BISMARCK, ND 58505-0780  
 (701) 328-2725

VEHICLE IDENTIFICATION NUMBER 1GCDK14K3JX765432	YEAR MODEL 1993	YEAR REGISTERED 1993	MAKE FORD	BODY STYLE .5 TN	MODEL F150
TITLE NUMBER 6781234	CLASS TRUCK	REG. WEIGHT 010000	COUNTY NO. 08	DATE ISSUED 06-01-95	STAGGER MONTH MARCH

**OWNER'S NAME AND ADDRESS**

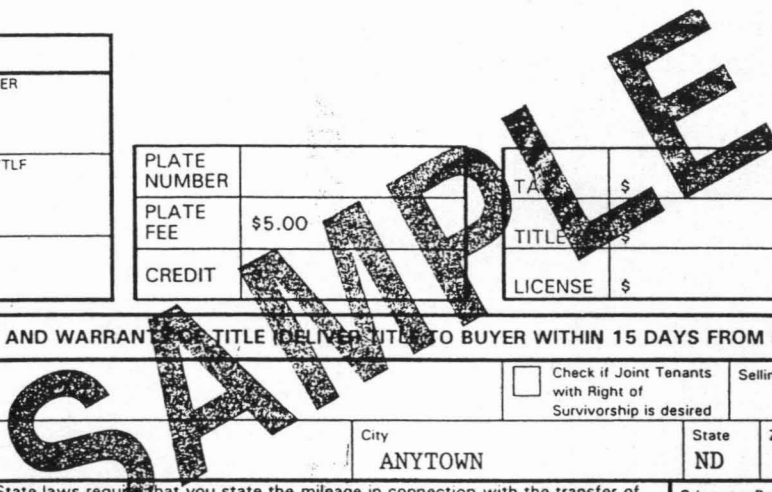
DOE JOHN  
 123 ANY STREET NORTH  
 ANYTOWN ND 58000-0001

ODOMETER READING  
 34543

ODOMETER STATUS  
 ACTUAL

FOR MVD USE ONLY			
DECAL NUMBER	LICENSE NUMBER		
DFU MO-YR	PRORATE <input type="checkbox"/>	YTLF <input type="checkbox"/>	
TOTAL \$			

PLATE NUMBER	TAX \$
PLATE FEE \$5.00	TITLE \$
CREDIT	LICENSE \$



**PART 1. SELLER'S - ASSIGNMENT AND WARRANT TITLE DELIVERED TO BUYER WITHIN 15 DAYS FROM DATE OF SALE**

Name of Buyer(s) First, Middle, Last: ABC MOTORS INC  
 Check if Joint Tenants with Right of Survivorship is desired:   
 Selling Price: 555,000  
 Daytime Phone #: 555,0000

Address: PO BOX 1111  
 City: ANYTOWN  
 State: ND  
 Zip Code: 58000-0002  
 County No.: 08

ODOMETER DISCLOSURE: Federal and State laws require that you state the mileage in connection with the transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment. I certify to the best of my knowledge the odometer reading is the actual mileage of the vehicle unless one of the following statements is checked:  
 1-The mileage stated is in excess of its mechanical limits.  2-The odometer reading is not the actual mileage. (WARNING \* ODOMETER DISCREPANCY)

Signature of Seller X <i>John Doe</i>	Date (Mo., Day, Year) 9   1   99	Signature of Buyer X <i>Joe Motor</i>	Date (Mo., Day, Year) 9   1   99
Signature of Seller X	Date (Mo., Day, Year)	Signature of Buyer X	Date (Mo., Day, Year)
Hand Printed (Not Typed) Name(s) of Seller(s) JOHN DOE	Daytime Phone #	Hand Printed (Not Typed) Name(s) of Buyer(s) JOE MOTOR	

**LEGAL TITLE OWNER (LIENHOLDER)**  
 HOMETOWN BANK  
 PO BOX 1234  
 ANYTOWN ND 58000-0001

I certify that the applicant has complied with the requirements of Title 39 of the North Dakota Century Code relative to the issuance of a certificate of title for a vehicle. Any lien recorded in the office of the Department of Transportation is shown below and the lienholder named is and shall remain legal owner of the vehicle until the encumbrance is released or satisfied.

\_\_\_\_\_  
 Director, Driver and Vehicle Services

**LIEN RELEASE**  
 ALL INTERESTS IN THE ABOVE DESCRIBED VEHICLE ARE RELEASED.

*Hometown Bank*  
 Firm Name  
*J. M. Bank 8-25-99*  
 Signature of Agent Date

THE DEPARTMENT OF TRANSPORTATION IS NOT RESPONSIBLE FOR FALSE OR FRAUDULENT STATEMENTS MADE IN THE ASSIGNMENT OF THE CERTIFICATE OF TITLE.

**Part 2. FIRST DEALER ASSIGNMENT AND WARRANTY OF TITLE (DELIVER TITLE TO BUYER WITHIN 15 DAYS FROM DATE OF SALE)**

Name of Buyer(s) First, Middle, Last: **JOHN SMITH**  Check if Joint Tenants with Right of Survivorship is desired. Selling Price: \_\_\_\_\_ Daytime Phone #: \_\_\_\_\_

Address: **123 ANY ST** City: **ANYTOWN** State: **ND** Zip Code: **58000-0000** County No.: **08**

ODOMETER DISCLOSURE: Federal and State laws require that you state the mileage in connection with the transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment. I certify to the best of my knowledge the odometer reading is the actual mileage of the vehicle unless one of the following statements is checked:  
 1-The mileage stated is in excess of its mechanical limits.  2-The odometer reading is not the actual mileage. (WARNING \* ODOMETER DISCREPANCY)

Name of Dealer: **ABC MOTORS INC** Dealer License Number: **N9999** Signature of Buyer: *John Smith* Date (Mo., Day, Year): **9/1/99**

Signature of Authorized Agent: *Joe Motor* Date (Mo., Day, Year): **9/1/99** Signature of Buyer: *John Smith* Date (Mo., Day, Year): \_\_\_\_\_

Hand Printed (Not Typed) Name of Authorized Agent: **JOE MOTOR** Hand Printed (Not Typed) Name(s) of Buyer(s): **JOHN SMITH**

**Part 2A. SECOND DEALER ASSIGNMENT AND WARRANTY OF TITLE (DELIVER TITLE TO BUYER WITHIN 15 DAYS FROM DATE OF SALE)**

Name of Buyer(s) First, Middle, Last: \_\_\_\_\_  Check if Joint Tenants with Right of Survivorship is desired. Selling Price: \_\_\_\_\_ Daytime Phone #: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ County No.: \_\_\_\_\_

ODOMETER DISCLOSURE: Federal and State laws require that you state the mileage in connection with the transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment. I certify to the best of my knowledge the odometer reading is the actual mileage of the vehicle unless one of the following statements is checked:  
 1-The mileage stated is in excess of its mechanical limits.  2-The odometer reading is not the actual mileage. (WARNING \* ODOMETER DISCREPANCY)

Name of Dealer: \_\_\_\_\_ Dealer License Number: \_\_\_\_\_ Signature of Buyer: \_\_\_\_\_ Date (Mo., Day, Year): \_\_\_\_\_

Signature of Authorized Agent: \_\_\_\_\_ Date (Mo., Day, Year): \_\_\_\_\_ Signature of Buyer: \_\_\_\_\_ Date (Mo., Day, Year): \_\_\_\_\_

Hand Printed (Not Typed) Name of Authorized Agent: \_\_\_\_\_ Hand Printed (Not Typed) Name(s) of Buyer(s): \_\_\_\_\_

**Part 2B. THIRD DEALER ASSIGNMENT AND WARRANTY OF TITLE (DELIVER TITLE TO BUYER WITHIN 15 DAYS FROM DATE OF SALE)**

Name of Buyer(s) First, Middle, Last: \_\_\_\_\_  Check if Joint Tenants with Right of Survivorship is desired. Selling Price: \_\_\_\_\_ Daytime Phone #: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ County No.: \_\_\_\_\_

ODOMETER DISCLOSURE: Federal and State laws require that you state the mileage in connection with the transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment. I certify to the best of my knowledge the odometer reading is the actual mileage of the vehicle unless one of the following statements is checked:  
 1-The mileage stated is in excess of its mechanical limits.  2-The odometer reading is not the actual mileage. (WARNING \* ODOMETER DISCREPANCY)

Name of Dealer: \_\_\_\_\_ Dealer License Number: \_\_\_\_\_ Signature of Buyer: \_\_\_\_\_ Date (Mo., Day, Year): \_\_\_\_\_

Signature of Authorized Agent: \_\_\_\_\_ Date (Mo., Day, Year): \_\_\_\_\_ Signature of Buyer: \_\_\_\_\_ Date (Mo., Day, Year): \_\_\_\_\_

Hand Printed (Not Typed) Name of Authorized Agent: \_\_\_\_\_ Hand Printed (Not Typed) Name(s) of Buyer(s): \_\_\_\_\_

**NO ADDITIONAL REASSIGNMENTS PERMITTED - LAST ASSIGNEE MUST TITLE IN THEIR NAME(S)**

**Part 3. PURCHASER'S CERTIFICATION AND APPLICATION (PRESENT TO DEPARTMENT OF TRANSPORTATION WITHIN 30 DAYS)**

Check tax exemption, if applicable:  
 1. If the vehicle was a gift from wife, husband, parent, child, brother, or sister, no tax is due. (Specify relationship: \_\_\_\_\_)  
 2. Joint tenancy with rights of survivorship and now vehicle is being put in one name only.  
 3. Did you inherit vehicle?  YES - no tax is due  NO  
 4. Change of name by marriage, adoption or court order  
 5. Did you acquire vehicle under lease agreement?  YES  NO  
 If YES, have you been in possession of the vehicle for one year?  YES  NO  
 6. Did lessor pay tax on vehicle prior to your purchase?  YES  NO  
 6. Other: \_\_\_\_\_

1. Full purchase price of vehicle	\$ 10000.00
2. Less trade-in allowance	\$ 5000.00
3. Difference	\$ 5000.00
4. Tax (5% of line 3)	\$ 250.00
5. Title fee	\$ 5.00
6. TOTAL	\$ 255.00

Vehicle identification Number of Trade-in: **1GH69P12XD1234456**

Year and Make of Trade-in: **1983 CHEVROLET**

I reside in the county of: **BURLEIGH**

The buyer (applicant), subject to the penalties of law, certifies the purchase price of the vehicle described on the reverse side of this certificate. The buyer makes application for certificate of title to the vehicle, having acquired it subject to the liens stated. The buyer certifies the vehicle is and will continue to be insured while operating upon public streets and highways.

**LIEN IN FAVOR OF**

Name: **ANY BANK AND TRUST COMPANY**

Address: **PO BOX 100**

City: **ANYTOWN** State: **ND** Zip Code: **58000-0000**

Signature of Buyer: *John Smith* Date (Mo., Day, Year): **9/1/99**