

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 465
Second Edition Engrossed 5/9/89
House Committee Substitute Favorable 6/21/90

Short Title: Salvage Motor Vehicles/Disclosure.

(Public)

Sponsors:

Referred to:

March 16, 1989

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THE MOTOR VEHICLE SALVAGE TITLE LAW AND TO
REQUIRE CERTAIN DAMAGE DISCLOSURES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 20-71.3 as amended by Chapter 455 of the 1989 Session
Laws, reads as rewritten:

"§ 20-71.3. Titles and registration cards to be branded.

Motor Vehicle certificates of title and registration cards issued pursuant to G.S. 20-57 shall be branded. As used herein 'branded' means that the title and registration card shall contain a designation that discloses if the vehicle is classified as (a) Flood Vehicle, (b) Non-U.S.A. Vehicle, (c) Reconstructed Vehicle, (d) Salvage Motor Vehicle, or (e) Salvage Rebuilt Vehicle or other classification authorized by law. Any motor vehicle damaged by collision or other occurrence which is to be retitled in this State shall be subject to preliminary and final inspections by the Enforcement Section of the Division, and the Division shall refuse to issue a title to a vehicle which has not undergone a preliminary inspection. Any motor vehicle which has been branded in another state shall be branded with the nearest applicable brand specified in this section, except that no junk vehicle or vehicle that has been branded junk in another state shall be titled or registered. A motor vehicle titled in another state and damaged by collision or other occurrence may be repaired and an unbranded title issued in North Carolina only if the cost of repairs, including parts and labor, does not exceed seventy-five percent (75%) of its fair market retail value and satisfactory evidence is given to the

1 ~~Division that the vehicle would be eligible for the issuance of an unbranded title in the state in~~
2 ~~which it is titled.~~ value. The Commissioner shall prepare necessary forms and may adopt
3 regulations required to carry out the provisions of this Part 3A. The title shall reflect the
4 branding until surrendered to or cancelled by the Commissioner."

5 Sec. 2. G.S. 20-71.4(a) reads as rewritten:

6 "(a) It shall be unlawful and constitute a misdemeanor for any person who knows
7 or reasonably should know that a motor vehicle has been involved in a collision or other
8 occurrence to the extent that the cost of repairing that vehicle exceeds twenty-five
9 percent (25%) of its fair market retail value ,or that the motor vehicle is, or was, a flood
10 vehicle, a recovered theft vehicle, a reconstructed vehicle, or a salvage motor vehicle,
11 to fail to disclose that fact in writing to the transferee prior to transfer of the vehicle. any
12 vehicle up to five model years old. Failure to disclose any of the above information will
13 also result in civil liability in an amount not to exceed four times the net sales price.
14 The Commissioner may prepare forms to carry out the provisions of this section."

15 Sec. 3. This act shall become effective 60 days after ratification and shall
16 apply to transactions occurring on or after that date.