

**FIRST ENGROSSMENT
with House Amendments**Fifty-sixth
Legislative Assembly
of North Dakota**ENGROSSED SENATE BILL NO. 2321**

Introduced by

Senator Tomac

Representatives Mickelson, Renner

1 A BILL for an Act to amend and reenact sections 39-05-17.2 and 39-05-20.2 of the North
2 Dakota Century Code, relating to vehicle damage disclosure.

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

4 **SECTION 1. AMENDMENT.** Section 39-05-17.2 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **39-05-17.2. Body damage disclosure - Rules - When required - Penalty.**

- 7 1. The department shall adopt rules relating to the manner and form of disclosing
8 motor vehicle body damage on the certificate of title to a motor vehicle. The rules
9 must provide for a damage disclosure statement from the transferor to the
10 transferee at the time ownership of a motor vehicle is transferred and provide that
11 the department ~~must refuse to~~ may not transfer the title without the required
12 damage disclosure statement.
- 13 2. Motor vehicle body damage disclosure requirements apply only to the transfer of
14 title on all current year models of motor vehicles and those models manufactured
15 in the seven years before the current model year. When a motor vehicle has been
16 subject to this disclosure requirement and more than eight years have elapsed
17 since the date of manufacture, the holder of the certificate of title with the damage
18 disclosure may have the disclosure removed and a new certificate of title issued
19 for a fee of five dollars.
- 20 3. As used in this section, "motor vehicle body damage" means a change in the body
21 or structure of a motor vehicle, generally resulting from a vehicular crash or
22 accident, including loss by fire, vandalism, weather, or submersion in water,
23 resulting in damage to the motor vehicle which equals or exceeds the greater of
24 five thousand dollars or forty percent of the predamage retail value of the motor

1 vehicle as determined by the national automobile dealers association official used
2 car guide. The term does not include body or structural modifications, normal wear
3 and tear, glass damage, hail damage, or items of normal maintenance and repair.

4 4. A person repairing, replacing parts, or performing body work on a motor vehicle
5 that is less than eight years old shall provide a statement to the owner of the motor
6 vehicle when the motor vehicle has sustained motor vehicle body damage
7 requiring disclosure under this section. The owner shall disclose this damage
8 when ownership of the motor vehicle is transferred. When a vehicle is damaged in
9 excess of seventy-five percent of its retail value as determined by the national
10 automobile dealers association official used car guide, the person repairing,
11 replacing parts, or performing body work on the motor vehicle that is less than
12 eight years old shall also advise the owner of the motor vehicle that the owner of
13 the vehicle must comply with section 39-05-20.2.

14 5. The amount of damage to a motor vehicle is determined by adding the retail value
15 of all labor, parts, and material used in repairing the damage. When the retail
16 value of labor has not been determined by a purchase in the ordinary course of
17 business, for example when the labor is performed by the owner of the vehicle, the
18 retail value of the labor is presumed to be the product of the repair time, as
19 provided in a generally accepted autobody repair flat rate manual, multiplied by
20 thirty-five dollars.

21 6. A person who violates this section or rules adopted pursuant to this section is
22 guilty of a class A misdemeanor.

23 **SECTION 2. AMENDMENT.** Section 39-05-20.2 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **39-05-20.2. Issuance of salvage certificate of title.** The owner of a vehicle that is
26 damaged in excess of seventy-five percent of its retail value as determined by the national
27 automobile dealers association official used car guide, shall forward the title for that vehicle to
28 the department within ten days and the department shall issue a salvage certificate of title.

29 If a vehicle for which a salvage certificate of title has been issued is reconstructed, a
30 regular certificate of title may be obtained by completing an application for the certificate. The
31 applicant shall include with the application a certificate of inspection in the form required by the

1 department, the salvage certificate of title, and a five dollar fee. The department shall place on
2 the regular certificate of title and on all subsequent certificates of title issued for the vehicle; the
3 words "previously salvaged" and a notation that damage disclosure information is available
4 from the department. The department may not issue a new certificate unless the vehicle
5 identification number of the vehicle has been inspected and found to conform to the description
6 given in the application or unless other proof of the identity of the vehicle has been provided to
7 the satisfaction of the department.