

GENERAL ASSEMBLY OF NORTH CAROLINA
1987 SESSION

CHAPTER 607
SENATE BILL 783

AN ACT TO REGULATE TITLING OF SALVAGE VEHICLES AND TO AMEND
CHAPTER 20 "MOTOR VEHICLE LAWS OF NORTH CAROLINA".

The General Assembly of North Carolina enacts:

Section 1. Chapter 20 of the General Statutes is amended by adding a new Part to Article 3 to read:

"Part 3A.

"Salvage Titles.

"§ 20-71.2. **Declaration of purpose.**—The titling of salvage motor vehicles constitutes a problem in North Carolina because members of the public are sometimes misled into believing a motor vehicle has not been damaged by collision, fire, flood, accident, or other cause or that the vehicle has not been altered, rebuilt, or modified to such an extent that it impairs or changes the original components of the motor vehicle. It is therefore in the public interest that the Commissioner of Motor Vehicles issue rules to give public notice of the titling of such vehicles and to carry out the provisions of this Part of the motor vehicle laws of North Carolina.

"§ 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 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. The Commissioner shall prepare necessary forms and may adopt regulations required to carry out the provisions of this Part 3A. The title shall reflect the branding until surrendered to or cancelled by the Commissioner.

"§ 20-71.4. **Failure to disclose damage to a vehicle shall be a misdemeanor.**—It shall be unlawful and constitute a misdemeanor for any person to fail to disclose to the transferee prior to transfer that the title and registration of the motor vehicle must be designated as branded or to make an application for or to obtain an unbranded title or registration to a motor vehicle when he knows, or reasonably should know, that a branded title or registration is required."

Sec. 2. G.S. 20-4.01(33) reads as rewritten:

~~"(33) Reconstructed Vehicles. Vehicles of a type required to be registered hereunder materially altered from their original construction by the removal, addition, or substitution of essential parts.~~

(a) Flood Vehicle. A motor vehicle that has been submerged or partially submerged in water to the extent that damage to the body, engine, transmission, or differential has occurred.

(b) Non-U.S.A. Vehicle. A motor vehicle manufactured outside of the United States and not intended by the manufacturer for sale in the United States.

(c) Reconstructed Vehicle. A motor vehicle of a type required to be registered hereunder that has been materially altered from original construction due to removal, addition or substitution of new or used essential parts; and includes glider kits and custom assembled vehicles.

(d) Salvage Motor Vehicle. Any motor vehicle damaged by collision or other occurrence to the extent that the cost of repairs to the vehicle and rendering the vehicle safe for use on the public streets and highways would exceed seventy-five percent (75%) of its fair retail market value, or a motor vehicle that has been declared a total loss by an insurer. Fair market retail values shall be as found in the NADA Pricing Guide Book or other publications approved by the Commissioner.

(e) Salvage Rebuilt Vehicle. A salvage vehicle that has been rebuilt for title and registration.

(f) Junk Vehicle. A motor vehicle which is incapable of operation or use upon the highways and has no resale value except as a source of parts or scrap, and shall not be titled or registered."

Sec. 3. This act shall become effective January 1, 1988.

In the General Assembly read three times and ratified this the 13th day of July, 1987.