

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 699
Judiciary II Senate Committee Substitute Adopted 6/13/89

Short Title: Salvage Title Amendments.

(Public)

Sponsors:

Referred to:

March 20, 1989

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE MOTOR VEHICLE SALVAGE TITLE LAW.

3 The General Assembly of North Carolina enacts:

4 Section 1. G.S. 20-4.01(33)(d) reads as rewritten:

5 "(d) Salvage Motor Vehicle.-Any motor vehicle damaged by collision or other
6 occurrence to the extent that the cost of repairs to the vehicle and rendering the vehicle
7 safe for use on the public streets and highways would exceed seventy-five percent
8 (75%) of its fair retail market ~~value.~~ value, whether or not the motor vehicle has been
9 declared a total loss by an insurer. Repairs shall include the cost of parts and labor.
10 Fair market retail values shall be as found in the NADA Pricing Guide Book or other
11 publications approved by the Commissioner."

12 Sec. 2. Section 4 of Chapter 1105 of the 1987 Session Laws reads as
13 rewritten:

14 "Sec. 4. Sections 1 and 2 of this act are effective upon ratification ~~and shall expire~~
15 ~~June 30, 1989, at which time those laws shall read as they did on January 1, 1988.~~ Section 3
16 of this act shall become effective October 1, 1988, and applies to offenses committed on
17 or after that date."

18 Sec. 3. G.S. 20-71.3 reads as rewritten:

19 "**§ 20-71.3. Titles and registration cards to be branded.**

20 Motor Vehicle certificates of title and registration cards issued pursuant to G.S. 20-
21 57 shall be branded. As used herein 'branded' means that the title and registration card
22 shall contain a designation that discloses if the vehicle is classified as (a) Flood
23 Vehicle, (b) Non-U.S.A. Vehicle, (c) Reconstructed Vehicle, (d) Salvage Motor

1 Vehicle, or (e) Salvage Rebuilt Vehicle or other classification authorized by law. Any
2 motor vehicle damaged by collision or other occurrence which is to be retitled in this
3 State shall be subject to preliminary and final inspections by the Enforcement Section of
4 the Division, and the Division shall refuse to issue a title to a vehicle which has not
5 undergone a preliminary inspection. Any motor vehicle which has been branded in
6 another state shall be branded with the nearest applicable brand specified in this section,
7 except that no junk vehicle or vehicle that has been branded junk in another state shall
8 be titled or registered. A motor vehicle titled in another state and damaged by collision
9 or other occurrence may be repaired and an unbranded title issued in North Carolina
10 only if the cost of repairs, including parts and labor, does not exceed seventy-five
11 percent (75%) of its fair market retail value. value and satisfactory evidence is given to
12 the Division that the vehicle would be eligible for the issuance of an unbranded title in
13 the state in which it is titled. The Commissioner shall prepare necessary forms and may
14 adopt regulations required to carry out the provisions of this Part 3A. The title shall
15 reflect the branding until surrendered to or cancelled by the Commissioner."

16 Sec. 4. G.S. 20-71.4(a) reads as rewritten:

17 "(a) It shall be unlawful and constitute a misdemeanor for any person who knows
18 or reasonably should know that a motor vehicle has been involved in a collision or other
19 occurrence to the extent that the cost of repairing that vehicle exceeds twenty-five
20 percent (25%) of its fair market retail value to fail to disclose that fact in writing to the
21 transferee prior to transfer of the vehicle. The Commissioner may prepare forms to
22 carry out the provisions of this section."

23 Sec. 5. G.S. 20-109.1(a) reads as rewritten:

24 "(a) A vehicle shall be deemed to be a salvage vehicle:

- 25 (1) When an insurance company as a result of having paid a ~~total loss~~
26 ~~claim acquires title to a vehicle, and obtains possession or control of a~~
27 ~~vehicle, for any cause other than theft; or on a vehicle damaged by~~
28 collision or other occurrence to the extent that the claim paid exceeds
29 seventy-five percent (75%) of the fair market retail value as found in
30 the NADA Pricing Guide Book or other publications approved by the
31 Commissioner, or
- 32 (2) When an insurance company has acquired title to ~~and obtains possession~~
33 ~~of a vehicle in settlement of a theft loss claim, and upon recovery of~~
34 ~~the vehicle it is determined that the vehicle has been damaged to the~~
35 ~~extent that it would be considered a total loss salvage vehicle under the~~
36 ~~provisions of comprehensive and collision insurance. G.S. 20-4.01(33)(d).~~

37 If the salvage vehicle was registered in North Carolina, or if the loss or damages
38 occurred in North Carolina, or if the sale of the salvage vehicle takes place in North
39 Carolina then the insurance company or their authorized agent shall within 10 days after
40 payment of a ~~total loss~~ claim forward to the Division of Motor Vehicles the certificate of
41 title or the comparable ownership document issued by the jurisdiction wherein the
42 vehicle was last registered. The certificate of title or comparable ownership document
43 shall be properly assigned to the insurance company by the vehicle owner. Subsequent
44 transfers of ownership shall be on forms provided by the Division; and such forms shall

1 be mailed by the Division to the insurance company at the address furnished in the
2 assignment of title from the registered owner, unless otherwise requested in writing by
3 the insurance company or their authorized agent. The insurance company shall make an
4 assignment of ownership on the form and deliver it to the purchaser upon sale of the
5 salvage vehicle. The forms shall be considered as proof of ownership for the purpose of
6 G.S. 20-61. In the event the salvage vehicle is rebuilt, an application for reissuance of
7 the title shall be made on a form prescribed by the Division, and the application shall be
8 accompanied by such supporting information as the Division may require."

9 Sec. 6. This act shall become effective June 30, 1989.