

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 396

Short Title: Truth in Mileage Act Conformance.

(Public)

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Sponsors: Senator Simpson.

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Referred to: Transportation.

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March 13, 1989

A BILL TO BE ENTITLED

AN ACT TO MAKE CONFORMING CHANGES REQUIRED BY THE FEDERAL TRUTH IN MILEAGE ACT AND TO INCREASE THE PENALTY FOR ODOMETER FRAUD.

The General Assembly of North Carolina enacts:

Section 1. G.S. 20-341 reads as rewritten:

**"§ 20-341. Definitions.**

As used in this Article:

- (1) The term 'odometer' means an instrument for measuring and recording the actual distance a motor vehicle travels while in operation; but shall not include any auxiliary odometer designed to be reset by the operator of the motor vehicle for the purpose of recording mileage on trips.
- (2) The term 'repair and replacement' means to restore to a sound working condition by replacing the odometer or any part thereof or by correcting what is inoperative.
- (3) The term 'transfer' means to change ownership by purchase, gift, or any other means.
- (4) The term 'transferee' means any person to whom the ownership in a motor vehicle is transferred or any person who, as agent, accepts transfer of ownership in a motor vehicle for another by purchase, gift, or any means other than by creation of a security interest.
- (5) The term 'transferor' means any person who transfers his ownership in a motor vehicle by sale, gift or any means other than by creation of a security interest.

- 1           (6) The term 'lessee' means any person, or the agent for any person, to  
2           whom a motor vehicle has been leased for a term of at least four  
3           months.
- 4           (7) The term 'lessor' means any person, or the agent for any person, who  
5           has leased five or more vehicles in the past 12 months.
- 6           (8) The term 'mileage' means the actual distance that a vehicle has  
7           traveled."

8           Sec. 2. G.S. 20-347(a) reads as rewritten:

9           "(a) In connection with the transfer of a motor vehicle, the transferor shall deliver  
10 disclose the mileage to the transferee, prior to execution of any transfer of ownership  
11 document, a single written statement which contains the following in writing on the title or on  
12 the document used to reassign the title. This written disclosure must be signed by the  
13 transferor, including the printed name, and shall contain the following information:

- 14           (1) The odometer reading at the time of the transfer(not to include tenths  
15           of miles);
- 16           (2) The date of the transfer;
- 17           (3) The transferor's name and current address;
- 18           (3a) The transferee's printed name, signature and current address;
- 19           (4) The identity of the vehicle, including its make, model, body type, its  
20           and vehicle identification number, and the license plate number most  
21           recently used on the vehicle;
- 22           (5) ~~A statement that the mileage is unknown if the transferor knows the~~  
23           odometer reading differs from the number of miles the vehicle has  
24           actually traveled, and that the difference is greater than that caused by  
25           odometer calibration errorCertification by the transferor that to the best  
26           of his knowledge the odometer reading;
- 27           a. Reflects the actual mileage; or
- 28           b. Reflects the amount of mileage in excess of the designed  
29           mechanical odometer limit; or
- 30           c. Does not reflect the actual mileage and should not be relied on.
- 31           (6) ~~A statement describing each known alteration of the odometer reading,~~  
32           including date, person making the alteration, and approximate number  
33           of miles removed by the alteration; and
- 34           (7) ~~Disclosure of excess mileage when vehicle is known to have exceeded~~  
35           100,000 miles and the odometer records only five whole mile digits.

36           ~~Provided that the certificate of title or other ownership documents shall be used in~~  
37 lieu of the single written statement if the title or ownership document contains the  
38 information set forth in subsection (a)."

39           Sec. 3. G.S. 20-347 is amended by adding a new subsection to read:

40           "(a1) Before executing any transfer of ownership document, each lessor of a leased  
41 motor vehicle shall notify the lessee in writing that the lessee is required to provide  
42 written disclosure to the lessor regarding mileage. In connection with the transfer of  
43 ownership of the leased motor vehicle, the lessee shall furnish to the lessor a written  
44 statement signed by the lessee containing the following information:

- 1           (1) The printed name of the person making the disclosure;
- 2           (2) The current odometer reading (not to include tenths of miles);
- 3           (3) The date of the statement;
- 4           (4) The lessee's name and current address;
- 5           (5) The lessor's name, signature, and current address;
- 6           (6) The identity of the vehicle, including its make, model, year, body type,
- 7               and vehicle identification number;
- 8           (7) The date that the lessor notified the lessee of the disclosure
- 9               requirements and the date the lessor received the completed disclosure
- 10               statement; and
- 11           (8) Certification by the lessee that to the best of his knowledge the
- 12               odometer reading:
  - 13               a. Reflects the actual mileage;
  - 14               b. Reflects the amount of mileage in excess of the designed
  - 15                   mechanical odometer limit; or
  - 16               c. Does not reflect the actual mileage and should not be relied on.

17           If the lessor transfers the leased vehicle without obtaining possession of it, the  
18 lessor may indicate on the title the mileage disclosed by the lessee under this subsection,  
19 unless the lessor has reason to believe that the disclosure by the lessee does not reflect  
20 the actual mileage of the vehicle."

21           Sec. 4. G.S. 20-347(d)(3) reads as rewritten:

22           "(3) A vehicle that is ~~25~~10 years old or older; or".

23           Sec. 5. G.S. 20-347(d) is amended by adding a new subdivision to read:

24           "(2a) A vehicle sold directly by the manufacturer to any agency of the United  
25 States in conformity with contractual specifications;"

26           Sec. 6. Article 15 of Chapter 20 is amended by adding a new section to read:

27           "**§ 20-347.1. Odometer disclosure record retention.**

28           (a) Dealers and distributors of motor vehicles who are required by this Part to  
29 execute an odometer disclosure statement shall retain, for five years, a photostat,  
30 carbon, or other facsimile copy of each odometer mileage statement which they issue or  
31 receive. They shall retain all odometer disclosure statements at their primary place of  
32 business in an order that is appropriate to business requirements and that permits  
33 systematic retrieval.

34           (b) Lessors shall retain, for five years following the date they transfer  
35 ownership of the leased vehicle, each odometer disclosure statement which they receive  
36 from a lessee. They shall retain all odometer disclosure statements at their primary  
37 place of business in an order that is appropriate to business requirements and that  
38 permits systematic retrieval.

39           (c) Each auction company shall establish and retain at its primary place of  
40 business in an order that is appropriate to business requirements and that permits  
41 systematic retrieval, for five years following the date of sale of each motor vehicle, the  
42 following records:

- 43               (1) The name of the most recent owner (other than the auction company);
- 44               (2) The name of the buyer;

- 1           (3) The vehicle identification number; and  
2           (4) The odometer reading on the date which the auction company took  
3           possession of the motor vehicle.

4           (d) Records required to be kept under this section shall be open to inspection  
5 and copying by law enforcement officers of the Division in order to determine  
6 compliance with this Article."

7           Sec. 7. G.S. 20-345 reads as rewritten:

8 **"§ 20-345. Conspiracy.**

9           No person shall conspire with any other person to violate G.S. 20-342, 20-343, 20-  
10 344, 20-346, ~~or 20-347~~ 20-347, or 20-347.1."

11           Sec. 8. G.S. 20-350 reads as rewritten:

12 **"§20-350. Criminal offense.**

13           Any person, firm or corporation violating any provision of this Article shall be guilty  
14 of a ~~misdemeanor~~ Class J felony."

15           Sec. 9. This act shall become effective January 1, 1990.