

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1041

Short Title: Cons. Protection/Damage Disclosure.

(Public)

Sponsors: Representatives Neely; and Morris.

Referred to: Transportation.

April 21, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE NORTH CAROLINA LAW RELATING TO MOTOR
3 VEHICLE SALVAGE TITLES.

4 The General Assembly of North Carolina enacts:

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

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

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

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

17 (d) Salvage Motor Vehicle. – Any motor vehicle damaged by
18 collision or other occurrence to the extent that a total loss claim
19 has been paid on the vehicle by an insurance company doing
20 business in North Carolina or the cost of repairs to the vehicle

1 and rendering the vehicle safe for use on the public streets and
2 highways would exceed seventy-five percent (75%) of its fair
3 retail market value, whether or not the motor vehicle has been
4 declared a total loss by an insurer. Repairs shall include the cost
5 of parts and labor. Fair market retail values shall be as found in
6 the NADA Pricing Guide Book or other publications approved
7 by the Commissioner.

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

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

13 Section 2. G.S. 20-71.3 reads as rewritten:

14 **"§ 20-71.3. Titles and registration cards to be branded.**

15 Motor Vehicle certificates of title and registration cards issued pursuant to G.S. 20-57
16 shall be branded. As used herein 'branded' means that the title and registration card shall
17 contain a designation that discloses if the vehicle is classified as (a) Flood Vehicle, (b)
18 Non-U.S.A. Vehicle, (c) Reconstructed Vehicle, (d) Salvage Motor Vehicle, or (e)
19 Salvage Rebuilt Vehicle or other classification authorized by law. The branded
20 information on the title shall use the appropriate words to fully disclose the classification.
21 Any motor vehicle damaged by collision or other occurrence which is to be retitled in this
22 State shall be subject to preliminary and final inspections by the Enforcement Section of
23 the Division, and the Division shall refuse to issue a title to a vehicle which has not
24 undergone a preliminary inspection. Any motor vehicle which has been branded in
25 another state shall be branded with the nearest applicable brand specified in this section,
26 except that no junk vehicle or vehicle that has been branded junk in another state shall be
27 titled or registered. A motor vehicle titled in another state and damaged by collision or
28 other occurrence may be repaired and an unbranded title issued in North Carolina only if
29 a total loss claim has not been paid on the vehicle by an insurance company or the cost of
30 repairs, including parts and labor, does not exceed seventy-five percent (75%) of its fair
31 market retail value. The Commissioner shall prepare necessary forms and may adopt
32 regulations required to carry out the provisions of this Part 3A. The title shall reflect the
33 branding until surrendered to or cancelled by the Commissioner."

34 Section 3. This act is effective when it becomes law.