

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE BILL 820
Commerce Committee Substitute Adopted 5/12/09
Third Edition Engrossed 5/14/09
House Committee Substitute Favorable 7/8/09

Short Title: Create New Titling Categories.

(Public)

Sponsors:

Referred to:

March 25, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO CREATE NEW MOTOR VEHICLE TITLING AND REGISTRATION
3 CATEGORIES FOR MOTOR VEHICLES CLASSIFIED AS REPLICA VEHICLES,
4 STREET RODS, AND CUSTOM VEHICLES, AND TO MAKE CORRESPONDING
5 CHANGES.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 20-4.01(43) reads as rewritten:

8 "(43) Specially Constructed Vehicles. – ~~Vehicles of a type required to be~~
9 ~~registered hereunder not originally constructed under a distinctive name,~~
10 ~~make, model, or type by a generally recognized manufacturer of vehicles~~
11 ~~and not materially altered from their original construction.~~ Motor vehicles
12 required to be registered under this Chapter and that fit within one of the
13 following categories:

- 14 a. Replica vehicle. – A vehicle, excluding motorcycles, that when
15 assembled replicates an earlier year, make, and model vehicle.
16 b. Street rod vehicle. – A vehicle, excluding motorcycles, manufactured
17 prior to 1949 that has been materially altered or has a body
18 constructed from nonoriginal materials.
19 c. Custom-built vehicle. – A vehicle, including motorcycles,
20 reconstructed or assembled by a nonmanufacturer from new or used
21 parts that has an exterior that does not replicate or resemble any other
22 manufactured vehicle. This category also includes any motorcycle
23 that was originally sold unassembled and manufactured from a kit or
24 that has been materially altered or that has a body constructed from
25 nonoriginal materials."

26 **SECTION 2.** Part 3 of Article 3 of Chapter 20 of the General Statutes is amended
27 by adding a new section to read:

28 "**§ 20-53.1. Specially constructed vehicle certificate of title and registration.**

29 (a) Specially constructed vehicles shall be titled in the following manner:

- 30 (1) Replica vehicles shall be titled as the year, make, and model of the vehicle
31 intended to be replicated. A label of "Replica" shall be applied to the title
32 and registration card. All replica vehicle titles shall be labeled "Specially
33 Constructed Vehicle."
34 (2) The model year of a street rod vehicle shall continue to be recognized as the
35 manufacturer's assigned model year. The manufacturer's name shall continue



1 to be used as the make with a label of "Street Rod" applied to the title and
2 registration card. All street rod vehicle titles shall be labeled "Specially
3 Constructed Vehicle."

4 (3) Custom-built vehicles shall be titled and registered showing the make as
5 "Custom-built," and the year the vehicle was built shall be the vehicle model
6 year. All custom-built vehicle titles shall be labeled "Specially Constructed
7 Vehicle."

8 (b) Inoperable vehicles may be titled, but no registration may be issued until such time
9 as the License and Theft Bureau inspects the vehicle to ensure it is substantially assembled.
10 Once a vehicle has been verified as substantially assembled pursuant to an inspection by the
11 License and Theft Bureau, the Commissioner shall title the vehicle by classifying it in the
12 proper category and collecting all highway use taxes applicable to the value of the car at the
13 time the vehicle is retitled to a proper classification, as described in this section.

14 (c) Motor vehicle certificates of title and registration cards issued pursuant to this
15 section shall be labeled in accordance with this section. As used in this section, "labeled" means
16 that the title and registration card shall contain a designation that discloses if the vehicle is
17 classified as any of the following:

18 (1) Specially constructed vehicle.

19 (2) Inoperable vehicle."

20 **SECTION 3.** G.S. 20-70 is amended by adding a new subsection to read:

21 "(c) The notification and registration requirements contained in subsections (a) and (b)
22 of this section regarding an engine change shall be required only if the motor vehicle into
23 which a new engine is installed uses an engine number as the sole means to identify the
24 vehicle."

25 **SECTION 4.** G.S. 20-4.01 is amended by adding a new subdivision to read:

26 "(15a) Inoperable Vehicle. – A motor vehicle that is substantially disassembled and
27 for this reason is mechanically unfit or unsafe to be operated or moved upon
28 a public street, highway, or public vehicular area."

29 **SECTION 5.** G.S. 20-53 reads as rewritten:

30 **"§ 20-53. Application for specially constructed, reconstructed, or foreign vehicle.**

31 (a) In the event the vehicle to be registered is a specially constructed, reconstructed, or
32 foreign vehicle, such fact shall be stated in the application, and with reference to every foreign
33 vehicle which has been registered outside of this State, the owner shall surrender to the
34 Division all registration ~~eards and cards,~~ certificates of title or notarized copies of original titles
35 on vehicles 35 model years old and older, or other evidence of such foreign registration as may
36 be in his possession or under his control, except as provided in subsection (b) hereof. After
37 initial review, the Division shall return to the owner any original titles presented on vehicles 35
38 model years old and older appropriately marked indicating that the title has been previously
39 submitted.

40 (b) Where, in the course of interstate operation of a vehicle registered in another state, it
41 is desirable to retain registration of said vehicle in such other state, such applicant need not
42 surrender, but shall submit for inspection said evidence of such foreign registration, and the
43 Division in its discretion, and upon a proper showing, shall register said vehicle in this State but
44 shall not issue a certificate of title for such vehicle.

45 (c), (d) Repealed by Session Laws 1965, c. 734, s. 2.

46 (e) No title shall be issued to an initial applicant for (i) out-of-state vehicles that are 35
47 model years old or older or (ii) a specially constructed vehicle prior to the completion of a
48 vehicle verification conducted by the License and Theft Bureau of the Division of Motor
49 Vehicles. These verifications shall be conducted as soon as practical. For an out-of-state
50 vehicle that is 35 model years old or older, this inspection shall consist of verifying the public
51 vehicle identification number to ensure that it matches the vehicle and ownership documents.

1 No covert vehicle identification numbers are to be examined on an out-of-state vehicle 35
2 model years or older unless the inspector develops probable cause to believe that the ownership
3 documents or public vehicle identification number presented does not match the vehicle being
4 examined. However, upon such application and the submission of any required documentation,
5 the Division shall be authorized to register the vehicle pending the completion of the
6 verification of the vehicle. The registration shall be valid for one year but shall not be renewed
7 unless and until the vehicle examination has been completed.

8 (f) If a vehicle owner desires a vehicle title classification change, he or she may, upon
9 proper application, be eligible for a reclassification."

10 **SECTION 6.** Part 3 of Article 3 of Chapter 20 of the General Statutes is amended
11 by adding a new section to read:

12 **"§ 20-53.3. Appeal of specially constructed vehicle classification determination to Vehicle**
13 **Classification Review Committee.**

14 (a) Any person aggrieved by the Division's determination of the appropriate vehicle
15 classification for a specially constructed vehicle may request review of that determination by
16 the Vehicle Classification Review Committee. This review shall be initiated by completing a
17 Vehicle Classification Review Request and returning the request to the Division. The Vehicle
18 Classification Review Request shall be made on a form provided by the Division. The decision
19 of the Review Committee may be appealed to the Commissioner of Motor Vehicles.

20 (b) The Vehicle Classification Review Committee shall consist of five members as
21 follows:

22 (1) Two members shall be personnel of the License and Theft Bureau of the
23 Division of Motor Vehicles appointed by the Commissioner.

24 (2) One member shall be a member of the public with expertise in antique or
25 specially constructed vehicles appointed by the Commissioner from a list of
26 nominees provided by the Antique Automobile Club of America.

27 (3) One member shall be a member of the public with expertise in antique or
28 specially constructed vehicles appointed by the Commissioner from a list of
29 nominees provided by the Specialty Equipment Market Association.

30 (4) One member shall be a member of the public with expertise in antique or
31 specially constructed vehicles appointed by the Commissioner from a list of
32 nominees provided by the National Corvette Restorers Society.

33 (c) Members of the Vehicle Classification Review Committee shall serve staggered
34 two-year terms. Initial appointments shall be made on or before October 1, 2009. The initial
35 appointment of one of the members from the License and Theft Bureau and the member
36 nominated by the Antique Automobile Club of America shall be for one year. The initial
37 appointments of the remaining members shall be for two years. At the expiration of these initial
38 terms, appointments shall be for two years. A member of the Committee may be removed at
39 any time by unanimous vote of the remaining four members. Vacancies shall be filled in the
40 manner set out in subsection (b) of this section."

41 **SECTION 7.** Sections 3 and 5 of this act are effective when this becomes law. The
42 remainder of this act becomes effective October 1, 2009.