

HOUSE BILL NO. 1218

Introduced by

Representative Hatlestad

1 A BILL for an Act to create and enact a new section to chapter 39-26 of the North Dakota
2 Century Code, relating to abandoned vehicles.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1.** A new section to chapter 39-26 of the North Dakota Century Code is created
5 and enacted as follows:

6 **Tow truck business retention option.**

7 1. A tow truck business that takes an abandoned motor vehicle into custody at the
8 request of a property owner or lessee who owns or leases the property on which the
9 vehicle was abandoned may take and sell the vehicle and keep the proceeds of the
10 sale if:

11 a. The property owner or lessee signs a form provided by the department which
12 requires information that includes that the vehicle was left without permission or
13 permission was withdrawn; the name of the owner of the vehicle, if known; how
14 long the vehicle has been on the property; and the terms of any agreement as to
15 the parking of the vehicle, including the words posted on any signs relating to
16 limitations on parking;

17 b. The tow truck business immediately notifies the city police, if the vehicle was
18 abandoned within a city, or the sheriff, if the vehicle was not abandoned within
19 city limits, and the city police or sheriff provides the business written acceptance
20 of the use of the procedure allowed under this section; and

21 c. The tow truck business follows the procedures in sections 39-26-06 and 39-26-07
22 as if the business were a governmental unit.

- 1 2. The police or sheriff, upon acceptance, shall provide any registration information
2 available to the police or sheriff which is necessary to follow the procedures in
3 sections 39-26-06 and 39-26-07.
- 4 3. The vehicle may be sold under section 39-26-08 as if the tow truck business were a
5 governmental unit, except any proceeds after expenses go to the business after ninety
6 days. In addition to the receipt required by the department, the tow truck business
7 shall provide the buyer a copy of the completed form of the property owner or lessee
8 and a copy of the written acceptance of the city police or sheriff or the purchase is
9 voidable by the buyer. If a bid is not received, the vehicle may be sold for scrap iron or
10 through any other means for an amount in excess of an offer for scrap iron from a
11 scrap iron processor in this state. If the owner of the abandoned vehicle reclaims the
12 vehicle after ninety days of the sale of the vehicle, the tow truck business shall pay the
13 owner the amount received from the sale, if any, in excess of actual expenses and the
14 expenses that would have been incurred through storage until the date of reclamation.
15 If the owner of the vehicle is not paid within thirty days of the date of reclaiming the
16 vehicle, the owner may bring a claim for relief against the tow truck business in
17 addition to any other action allowed by law.
- 18 4. The department may require a tow truck business to report on the expenses and the
19 sale proceeds for any sale of a motor vehicle under this section and may prohibit or
20 limit the use of this section by a tow truck business for any misrepresentation in or
21 abuse of the process in this section.
- 22 5. A unit of government may authorize a tow truck business to take an abandoned motor
23 vehicle on public property into custody and act as the governmental unit, except that
24 any remainder for the proceeds of a sale may be kept by the tow truck business. The
25 tow truck business shall request and the law enforcement agency for the
26 governmental unit that authorizes a tow truck business under this subsection shall
27 provide any registration information available to the police or sheriff which is
28 necessary to follow the procedures in sections 39-26-06 and 39-26-07.
- 29 6. If a vehicle is sold for scrap iron under this section, the department may not require a
30 title or title information for the vehicle and must accept a vehicle identification number
31 as condition of the destruction or the sale for destruction of the motor vehicle.

- 1 7. The procedures in this section may be used for vehicles that are not motor vehicles in
2 the same manner as motor vehicles. The department may not require a title or title
3 information for a vehicle that is not a motor and must accept a vehicle identification
4 number as a condition of sale or to issue a new title.
- 5 8. As a condition precedent to a tow truck business operating under this section, the tow
6 truck operator shall furnish the department a surety bond, cash bond, or approved
7 letter of credit to guarantee payment of an owner or lienholder that is not informed of
8 the sale or destruction of a vehicle under this section. The bond must be a blanket
9 bond covering of at least one hundred thousand dollars.