

Sixty-sixth  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1407

Introduced by

Representatives Grueneich, Blum, Bosch, Howe, Schobinger

Senator Meyer

1 A BILL for an Act to amend and reenact ~~section~~sections 39-05-17 and 39-05-20 of the North  
2 Dakota Century Code, relating to the delivery and issuance of certificates of vehicle title; and to  
3 provide a penalty.

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

5 **SECTION 1. AMENDMENT.** Section 39-05-17 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **39-05-17. Transfer of title of vehicle - Endorsement required - Certificate of title**  
8 **delivered - New certificate obtained - Penalty.**

- 9 1. The owner or transferor of a motor vehicle who transfers title to a vehicle shall endorse  
10 an assignment and warranty of title upon the certificate of title for the vehicle. The  
11 owner or transferor shall include on the assignment and warranty of title the name of  
12 the transferee and the selling price of the vehicle if applicable.
- 13 2. If legal title passes to the transferee, the owner shall deliver the endorsed certificate of  
14 title to the transferee within ~~fifteen~~thirty days.
- 15 3. If legal title passes to a lienholder rather than the transferee, the transferee shall  
16 endorse a statement that the lienholder holds the lien and shall send the certificate of  
17 title to the department with an application for a new certificate of title showing the  
18 names of the new owner and lienholder. The certificate of title when issued must be  
19 sent by the department to the lienholder or the department may use an electronic lien  
20 notification procedure in lieu of sending a certificate of title to a lienholder.
- 21 4. Within thirty days, the transferee shall deliver the endorsed certificate of title to the  
22 department with a transfer fee of five dollars, and shall make an application for a new  
23 certificate of title. In addition to any other penalty, the registration to a motor vehicle  
24 may be suspended or revoked if the transferee fails to present the endorsed certificate

1 of title to the department for transfer and make application for a new certificate of title  
2 within thirty days. The department shall deliver the new certificate of title to the  
3 lienholder with priority. If there is no lienholder, delivery must be made to the owner.  
4 5. A violation of this section by an owner, lienholder, or transferee is a class B  
5 misdemeanor.

6 **SECTION 2. AMENDMENT.** Section 39-05-20 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **39-05-20. Transferee may obtain new certificate of title upon inability to obtain old**  
9 **certificate - Proof of ownership - Appeal.**

10 1. When the transferee of a vehicle is unable to obtain a properly assigned certificate of  
11 title for a vehicle, and makes application for a new certificate and presents satisfactory  
12 proof of ownership, the department may cancel the old certificate and issue a new  
13 certificate to the transferee, provided that the department may not issue a certificate of  
14 title for a manufactured home with respect to which there has been recorded an  
15 affidavit of affixation under section 47-10-27. ~~Satisfactory~~Except as otherwise provided  
16 by this subsection, satisfactory proof of ownership must include compliance by the  
17 transferee with the procedures outlined in title 35, ~~that the transferee has paid for the~~  
18 ~~vehicle, and that the transferee made at least two written attempts by certified mail~~  
19 ~~with return receipt addressed to the owner of record and any known lienholder to~~  
20 ~~obtain the certificate of title.~~

21 a. If the transferee is an insurer that has paid a total loss claim on a vehicle but the  
22 payment has not satisfied all liens of record on the vehicle, the transferee is not  
23 required to comply with the procedures outlined in title 35 to establish satisfactory  
24 proof of ownership and the department may cancel the old certificate of title and  
25 issue a new certificate to the insurer free and clear of all liens and claims of  
26 ownership.

27 b. If the transferee is a tax exempt organization under section 501(c)(3) of the  
28 Internal Revenue Code [26 U.S.C. 501(c)(3)] to which a vehicle has been  
29 donated, the transferee shall provide an affidavit providing proof the vehicle was  
30 donated.

1 c. If the transferee is a licensed motor vehicle dealer that, at the request of an  
2 insurer, took possession of a vehicle that is the subject of an insurance claim but  
3 for which a total loss claim is not paid by the insurer and the vehicle has been in  
4 the possession of the dealer for more than thirty days, the necessary satisfactory  
5 proof of ownership includes only proof the dealer made at least two written  
6 attempts by certified mail with return receipt addressed to the owner of record  
7 and any known lienholder to have the vehicle removed from the dealer's facility,  
8 upon payment of applicable charges. If satisfactory proof of ownership is  
9 established, the department may cancel the old certificate of title and issue a new  
10 certificate to the licensed motor vehicle dealer free and clear of all liens and  
11 claims of ownership.

12 d. If the transferee is an individual, satisfactory proof of ownership must include that  
13 the transferee has paid for the vehicle, and that the transferee made at least two  
14 written attempts by certified mail with return receipt addressed to the owner of  
15 record and any known lienholder to obtain the certificate of title. If satisfactory  
16 proof of ownership is established, the department shall cancel the old certificate  
17 of title and issue a new certificate to the individual, subject to any existing lien.

18 2. The department may establish procedures for determining satisfactory proof of  
19 ownership of a vehicle in those cases when the department is unable to determine the  
20 legal owner of record. The procedures may include determining the validity of any  
21 liens on a certificate of title. Any person aggrieved by a decision of the department as  
22 to ownership of a vehicle may appeal that decision to the district court under chapter  
23 28-32.

24 2-3. A person holding a certificate of title whose interests in the vehicle have been  
25 extinguished or transferred other than by voluntary transfer shall mail or deliver the  
26 certificate to the department upon request of the department. The delivery of the  
27 certificate pursuant to the request of the department does not affect the rights of the  
28 person surrendering the certificate. The action of the department in issuing a new  
29 certificate of title as provided herein is not conclusive upon the rights of the owner or  
30 lienholder listed in the old certificate.