

NORTH CAROLINA GENERAL ASSEMBLY  
1973 SESSION

CHAPTER 1095  
HOUSE BILL 1584

AN ACT TO REQUIRE THE SURRENDER OF TITLES TO SALVAGE VEHICLES.

The General Assembly of North Carolina enacts:

**Section 1.** Article 3 of G.S. Chapter 20 is hereby amended by adding a new section, G.S. 20-109.1 thereto, to read as follows:

**"§ 20-109.1. Surrender of titles to salvage vehicles.** — (a) A vehicle shall be deemed to be a salvage vehicle:

- (1) When an insurance company as a result of having paid a total loss claim acquires title to a vehicle, and obtains possession or control of a vehicle, for any cause other than theft; or
- (2) When an insurance company has acquired title to and obtains possession of a vehicle in settlement of a theft loss claim, and upon recovery of the vehicle it is determined that the vehicle has been damaged to the extent that it would be considered a total loss under the provisions of comprehensive and collision insurance.

If the salvage vehicle was registered in North Carolina, or if the loss or damages occurred in North Carolina, or if the sale of the salvage vehicle takes place in North Carolina then the insurance company shall, within three days after sale of the salvage vehicle, forward to the Department of Motor Vehicles the certificate of title or the comparable ownership document issued by the jurisdiction wherein the vehicle was last registered. The certificate of title or comparable ownership document shall be properly assigned to the insurance company by the vehicle owner and the insurance company shall execute an assignment of title designating the purchaser. Subsequent transfers of ownership shall be on forms provided by the Department; and such forms shall be mailed by the Department to the purchaser at the address furnished in the assignment of title from the insurance company. The form shall be considered as proof of ownership for the purpose of G.S. 20-61. In the event the salvage vehicle is rebuilt, an application for reissuance of the title shall be made on a form prescribed by the Department, and the application shall be accompanied by such supporting information as the Department may require.

(b) Any person acquiring or having possession of any salvage vehicle, regardless of the source and conditions of acquisition, shall immediately forward to the Department the certificate of title or comparable ownership document issued by the jurisdiction wherein the vehicle was last registered, with properly executed assignments and reassignments of such title or ownership document. Subsequent transfers of ownership and reissuance of the title shall be as provided for in subsection (a) hereof.

(c) It shall be unlawful for any person, other than a law enforcement officer in the performance of his official duties, to operate any rebuilt salvage vehicle on a street or highway prior to the application for reissuance of title being accepted and approved by the Department.

(d) A violation of any provision of this section shall constitute a misdemeanor punishable by a fine of not less than one hundred dollars (\$100.00) or imprisonment for not more than two years, or both, in the discretion of the court."

**Sec. 2.** G.S. 20-72(b) is hereby amended by adding the following paragraph at the end thereof:

"The title to a salvage vehicle shall be forwarded to the Department as provided in G.S. 20-109.1."

**Sec. 3.** G.S. 20-75 is hereby amended by adding a new paragraph at the end thereof to read as follows:

"The title to a salvage vehicle shall be forwarded to the Department as provided in G.S. 20-109.1."

**Sec. 4.** This act shall become effective on January 1, 1975.

In the General Assembly read three times and ratified, this the 2nd day of April, 1974.