

§ 20-75. When transferee is a charitable organization, dealer, or insurance company.

A transferee of a vehicle registered under this Article is not required to register the vehicle or forward the certificate of title to the Division as provided in G.S. 20-73 when the transferee is any of the following:

- (1) A dealer who is licensed under Article 12 of this Chapter and who holds the vehicle for resale.
- (2) An insurance company taking the vehicle for sale or disposal for salvage purposes where the title is taken or requested as a part of a bona fide claim settlement transaction and only for the purpose of resale.
- (3) A charitable organization operating under section 501(c)(3) of the Internal Revenue Code (26 U.S.C. § 501(c)(3)) and the vehicle was donated to the charitable organization solely for purposes of resale by the charitable organization.

To assign or transfer title or interest in the vehicle, the charitable organization or dealer shall execute, in the presence of a person authorized to administer oaths, a reassignment and warranty of title on the reverse of the certificate of title in the form approved by the Division, which shall include the name and address of the transferee. To assign or transfer title or interest in the vehicle, the insurance company shall execute a reassignment and warranty of title on the reverse of the certificate of title in the form approved by the Division, which shall include the name and address of the transferee. The title to the vehicle shall not pass or vest until the reassignment is executed and the motor vehicle delivered to the transferee.

The dealer transferring title or interest in a motor vehicle shall deliver the certificate of title duly assigned in accordance with the foregoing provision to the transferee at the time of delivering the vehicle, except:

- (1) Where a security interest in the motor vehicle is obtained from the transferee in payment of the purchase price or otherwise, the dealer shall deliver the certificate of title to the lienholder and the lienholder shall forward the certificate of title together with the transferee's application for new certificate of title and necessary fees to the Division within 20 days; or
- (2) Where the transferee has the option of cancelling the transfer of the vehicle within 10 days of delivery of the vehicle, the dealer shall deliver the certificate of title to the transferee at the end of that period. Delivery need not be made if the contract for sale has been rescinded in writing by all parties to the contract.

Any person who delivers or accepts a certificate of title assigned in blank shall be guilty of a Class 2 misdemeanor.

The title to a salvage vehicle shall be forwarded to the Division as provided in G.S. 20-109.1, except with respect to the title of any salvage vehicle transferred pursuant to G.S. 20-109.1(b)(2) or G.S. 20-109.1(e1). (1937, c. 407, s. 39; 1961, c. 835, s. 9; 1963, c. 552, s. 5; 1967, c. 760; 1973, c. 1095, s. 3; 1975, c. 716, s. 5; 1993, c. 440, s. 12; c. 539, s. 341; 1994, Ex. Sess., c. 24, s. 14(c); 1997-327, s. 2.1; 2013-400, s. 3; 2018-43, s. 2; 2019-153, s. 4.)