

Article 15.

Vehicle Mileage Act.

§ 20-340. Purpose.

This Article shall provide State remedies for persons injured by motor vehicle odometer alteration, and to provide purchasers of motor vehicles with information to assist them in determining the condition and value of such vehicles. Such remedies shall be in addition to remedies provided by the federal odometer law (Motor Vehicle Information and Cost Savings Act, Public Law 92-513, 86 Stat. 947, enacted October 20, 1972). (1973, c. 679, s. 1.)

§ 20-341. Definitions.

As used in this Article:

- (1) The term "odometer" means an instrument for measuring and recording the actual distance a motor vehicle travels while in operation; but shall not include any auxiliary odometer designed to be reset by the operator of the motor vehicle for the purpose of recording mileage on trips.
- (2) The term "repair and replacement" means to restore to a sound working condition by replacing the odometer or any part thereof or by correcting what is inoperative.
- (3) The term "transfer" means to change ownership by purchase, gift, or any other means.
- (4) The term "transferee" means any person to whom the ownership in a motor vehicle is transferred or any person who, as agent, accepts transfer of ownership in a motor vehicle for another by purchase, gift, or any means other than by creation of a security interest.
- (5) The term "transferor" means any person who or any person who, as agent, transfers his ownership in a motor vehicle by sale, gift or any means other than by creation of a security interest.
- (6) The term "lessee" means any person, or the agent for any person, to whom a motor vehicle has been leased for a term of at least four months.
- (7) The term "lessor" means any person, or the agent for any person, who has leased five or more vehicles in the past 12 months.
- (8) The term "mileage" means the actual distance that a vehicle has traveled. (1973, c. 679, s. 1; 1989, c. 482, s. 1.)

§ 20-342. Unlawful devices.

It is unlawful for any person knowingly to advertise for sale, to sell, to use, or to install or to have installed, any device which causes an odometer to register any mileage other than the true mileage driven. For the purposes of this section, the true mileage driven is that mileage driven by the vehicle as registered by the odometer within the manufacturer's designed tolerance. (1973, c. 679, s. 1.)

§ 20-343. Unlawful change of mileage.

It is unlawful for any person or his agent to disconnect, reset, or alter the odometer of any motor vehicle with the intent to change the number of miles indicated thereon. Whenever evidence shall be presented in any court of the fact that an odometer has been reset or altered to change the number of miles indicated thereon, it shall be prima facie evidence in any court in the State of

North Carolina that the resetting or alteration was made by the person, firm or corporation who held title or by law was required to hold title to the vehicle in which the reset or altered odometer was installed at the time of such resetting or alteration or if such person has more than 20 employees and has specifically and in writing delegated responsibility for the motor vehicle to an agent, that the resetting or alteration was made by the agent. (1973, c. 679, s. 1; 1979, c. 696.)

§ 20-344. Operation of vehicle with intent to defraud.

It is unlawful for any person with the intent to defraud to operate a motor vehicle on any street or highway knowing that the odometer of such vehicle is disconnected or nonfunctional. (1973, c. 679, s. 1.)

§ 20-345. Conspiracy.

No person shall conspire with any other person to violate G.S. 20-342, 20-343, 20-344, 20-346, 20-347, or 20-347.1. (1973, c. 679, s. 1; 1989, c. 482, s. 7.)

§ 20-346. Lawful service, repair, or replacement of odometer.

Nothing in this Article shall prevent the service, repair, or replacement of an odometer, provided the mileage indicated thereon remains the same as before the service, repair, or replacement. Where the odometer is incapable of registering the same mileage as before such service, repair, or replacement, the odometer shall be adjusted to read zero and a notice in writing shall be attached to the left door frame of the vehicle by the owner or his agent specifying the mileage prior to repair or replacement of the odometer and the date on which it was repaired or replaced. Any removal or alteration of such notice so affixed shall be unlawful. (1973, c. 679, s. 1.)

§ 20-347. Disclosure requirements.

(a) In connection with the transfer of a motor vehicle, the transferor shall disclose the mileage to the transferee in writing on the title or on the document used to reassign the title. This written disclosure must be signed by the transferor, including the printed name, and shall contain the following information:

- (1) The odometer reading at the time of the transfer (not to include tenths of miles);
- (2) The date of the transfer;
- (3) The transferor's name and current address;
- (3a) The transferee's printed name, signature and current address;
- (4) The identity of the vehicle, including its make, model, body type, and vehicle identification number, and the license plate number most recently used on the vehicle; and
- (5) Certification by the transferor that to the best of his knowledge the odometer reading
 - a. Reflects the actual mileage; or
 - b. Reflects the amount of mileage in excess of the designed mechanical odometer limit; or
 - c. Does not reflect the actual mileage and should not be relied on.
- (6), (7) Repealed by Session Laws 1989, c. 482, s. 2.

(a1) Before executing any transfer of ownership document, each lessor of a leased motor vehicle shall notify the lessee in writing that the lessee is required to provide written disclosure to the lessor regarding mileage. In connection with the transfer of ownership of the leased motor

vehicle, the lessee shall furnish to the lessor a written statement signed by the lessee containing the following information:

- (1) The printed name of the person making the disclosure;
- (2) The current odometer reading (not to include tenths of miles);
- (3) The date of the statement;
- (4) The lessee's printed name and current address;
- (5) The lessor's printed name, signature, and current address;
- (6) The identity of the vehicle, including its make, model, year, body type, and vehicle identification number;
- (7) The date that the lessor notified the lessee of the disclosure requirements and the date the lessor received the completed disclosure statement; and
- (8) Certification by the lessee that to the best of his knowledge the odometer reading:
 - a. Reflects the actual mileage;
 - b. Reflects the amount of mileage in excess of the designed mechanical odometer limit; or
 - c. Does not reflect the actual mileage and should not be relied on.

If the lessor transfers the leased vehicle without obtaining possession of it, the lessor may indicate on the title the mileage disclosed by the lessee under this subsection, unless the lessor has reason to believe that the disclosure by the lessee does not reflect the actual mileage of the vehicle.

(b) Repealed by Session Laws 1973, c. 1088.

(c) It shall be unlawful for any transferor to violate any rules under this section or to knowingly give a false statement to a transferee in making any disclosure required by such rules.

(d) The provisions of this disclosure statement section shall not apply to the following transfers:

- (1) A vehicle having a gross vehicle weight rating of more than 16,000 pounds.
- (2) A vehicle that is not self-propelled.
- (2a) A vehicle sold directly by the manufacturer to any agency of the United States in conformity with contractual specifications.
- (3) A vehicle that is 10 years old or older.
- (4) A new vehicle prior to its first transfer for purposes other than resale.
- (5) A vehicle that is transferred by a State agency that assists the United States Department of Defense with purchasing, transferring, or titling a vehicle to another State agency, a unit of local government, a volunteer fire department, or a volunteer rescue squad. (1973, c. 679, s. 1; c. 1088; 1983, c. 387; 1989, c. 482, ss. 2-5; 1993, c. 553, s. 11; 2009-550, s. 2(d).)

§ 20-347.1. Odometer disclosure record retention.

(a) Dealers and distributors of motor vehicles who are required by this Part to execute an odometer disclosure statement shall retain, for five years, a photostat, carbon, or other facsimile copy of each odometer mileage statement which they issue or receive. They shall retain all odometer disclosure statements at their primary place of business in an order that is appropriate to business requirements and that permits systematic retrieval.

(b) Lessors shall retain, for five years following the date they transfer ownership of the leased vehicle, each odometer disclosure statement which they receive from a lessee. They shall

retain all odometer disclosure statements at their primary place of business in an order that is appropriate to business requirements and that permits systematic retrieval.

(c) Each auction company shall establish and retain at its primary place of business in an order that is appropriate to business requirements and that permits systematic retrieval, for five years following the date of sale of each motor vehicle, the following records:

- (1) The name of the most recent owner (other than the auction company);
- (2) The name of the buyer;
- (3) The vehicle identification number; and
- (4) The odometer reading on the date which the auction company took possession of the motor vehicle.

(d) Records required to be kept under this section shall be open to inspection and copying by law enforcement officers of the Division in order to determine compliance with this Article. (1989, c. 482, s. 6.)

§ 20-348. Private civil action.

(a) Any person who, with intent to defraud, violates any requirement imposed under this Article shall be liable in an amount equal to the sum of:

- (1) Three times the amount of actual damages sustained or one thousand five hundred dollars (\$1,500), whichever is the greater; and
- (2) In the case of any successful action to enforce the foregoing liability, the costs of the action together with reasonable attorney fees as determined by the court.

(b) An action to enforce any liability created under subsection (a) of this section may be brought in any court of the trial division of the General Court of Justice of the State of North Carolina within four years from the date on which the liability arises. (1973, c. 679, s. 1; 1981 (Reg. Sess., 1982), c. 1280, s. 1.)

§ 20-349. Injunctive enforcement.

Upon petition by the Attorney General of North Carolina, a violation of this Article may be enjoined as an unfair and deceptive trade practice, as prohibited by G.S. 75-1.1. (1973, c. 679, s. 1.)

§ 20-350. Criminal offense.

Any person, firm or corporation violating G.S. 20-343 shall be guilty of a Class I felony. A violation of any remaining provision of this Article shall be a Class 1 misdemeanor. (1973, c. 679, s. 1; 1989, c. 482, s. 7.1; 1993, c. 539, ss. 391, 1262; 1994, Ex. Sess., c. 24, s. 14(c).)