

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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SENATE BILL 820

Short Title: Create New Titling Categories. (Public)

Sponsors: Senators Hartsell and Berger of Franklin.

Referred to: Commerce.

March 25, 2009

A BILL TO BE ENTITLED

AN ACT TO CREATE NEW MOTOR VEHICLE TITLING AND REGISTRATION CATEGORIES FOR MOTOR VEHICLES CLASSIFIED AS CUSTOM-BUILT VEHICLES, REPLICA VEHICLES, AND STREET RODS AND TO MAKE CORRESPONDING CHANGES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 20-4.01(33) reads as rewritten:

- "(33) a. Flood Vehicle. – A motor vehicle that has been submerged or partially submerged in water to the extent that damage to the body, engine, transmission, or differential has occurred.
- b. Non-U.S.A. Vehicle. – A motor vehicle manufactured outside of the United States and not intended by the manufacturer for sale in the United States.
- c. Reconstructed Vehicle. – A motor vehicle of a type required to be registered hereunder that has been materially altered from original construction due to removal, addition or substitution of new or used essential parts; and includes glider kits and custom assembled vehicles parts such that it is no longer visually identifiable as a generally recognized manufacturer-built vehicle.
- d. Salvage Motor Vehicle. – Any motor vehicle damaged by collision or other occurrence to the extent that the cost of repairs to the vehicle and rendering the vehicle safe for use on the public streets and highways would exceed seventy-five percent (75%) of its fair retail market value, whether or not the motor vehicle has been declared a total loss by an insurer. Repairs shall include the cost of parts and labor. Fair market retail values shall be as found in the NADA Pricing Guide Book or other publications approved by the Commissioner.
- e. Salvage Rebuilt Vehicle. – A salvage vehicle that has been rebuilt for title and registration.
- f. Junk Vehicle. – A motor vehicle which is incapable of operation or use upon the highways and has no resale value except as a source of parts or scrap, and shall not be titled or registered.
- g. Replica Vehicle. – A motor vehicle sold unassembled and manufactured from a kit. When the kit is assembled, the completed vehicle replicates an earlier year, make, and model vehicle. Replica vehicles shall be titled as the year, make, and model of the vehicle



1 intended to be replicated. A label of "Replica" shall be applied to the  
2 title and registration card. All replica vehicle titles shall be branded  
3 as "Specially Constructed Vehicle." However, this classification does  
4 not apply to motorcycles. If the vehicle is a motorcycle, it shall be  
5 classified as a "Custom-Built" vehicle.

6 h. Street Rod Vehicle. – A motor vehicle manufactured prior to 1949  
7 that has been altered from the manufacturer's original design such  
8 that it is no longer visually identifiable as a generally recognized  
9 manufacturer-built vehicle or has a body constructed from  
10 nonoriginal materials. The model year of a street rod shall continue  
11 to be recognized as the manufacturer's assigned model year. The  
12 manufacturer's name shall continue to be used as the make with a  
13 label of "Street Rod" applied to the title and registration card. All  
14 street rod titles will be branded as "Specially Constructed Vehicle."  
15 However, this classification does not apply to motorcycles. If the  
16 vehicle is a motorcycle, it shall be classified as a "Custom-Built"  
17 vehicle.

18 i. Custom-Built Vehicle. – A motor vehicle reconstructed or assembled  
19 by a nonmanufacturer from new or used parts that has an exterior that  
20 does not replicate or resemble any other manufactured vehicle. The  
21 vehicle will be titled and registered showing the make as "Custom-  
22 Built," and the year the vehicle was built shall be the vehicle model  
23 year. All custom-built vehicle titles shall be branded as "Specially  
24 Constructed Vehicle."

25 j. Specially Constructed Vehicle. – A motor vehicle of a type not  
26 originally constructed under a distinctive name, make, model, or of a  
27 type by a generally recognized manufacturer required to be registered  
28 hereunder that has been materially altered from original construction  
29 due to removal, addition, or substitution of new or used essential  
30 parts including replicas, or custom-built vehicles."

31 **SECTION 2.** G.S. 20-54 is amended by adding a new subdivision to read:

32 "(10) For generally recognized manufacturer-built vehicles, certificates of title and  
33 registration shall not be denied or delayed on the grounds that the originating  
34 title is from out-of-state, the vehicle is of a certain age, or the vehicle has not  
35 been first inspected by a representative of the Division unless there is some  
36 probable cause to believe an individual vehicle has some issue particular to it  
37 that justifies an inspection before title and registration are issued."

38 **SECTION 3.** G.S. 20-70 is amended by adding a new subsection to read:

39 "(c) The notification and registration requirements contained in G.S. 20-70(a) and (b)  
40 regarding an engine change shall only be required if the motor vehicle into which a new engine  
41 is installed uses an engine number as the sole means to identify the vehicle."

42 **SECTION 4.** G.S. 20-71.3(a) reads as rewritten:

43 "(a) Motor vehicle certificates of title and registration cards issued pursuant to  
44 G.S. 20-57 shall be branded in accordance with this section.

45 As used in this section, "branded" means that the title and registration card shall  
46 contain a designation that discloses if the vehicle is classified as any of the following:

- 47 (1) Salvage Motor Vehicle.
- 48 (2) Salvage Rebuilt Vehicle.
- 49 (3) Reconstructed Vehicle.
- 50 (4) Flood Vehicle.
- 51 (5) Non-U.S.A. Vehicle.

1           (6)    Specially Constructed Vehicle.

2           ~~(6)~~(7) Any other classification authorized by law."

3           **SECTION 5.** G.S. 20-71.3(b) reads as rewritten:

4           "(b)    Any motor vehicle up to and including six model years old damaged by collision or  
5 other occurrence, that is to be retitled in this State, shall be subject to preliminary and final  
6 inspections by the ~~Enforcement Section~~License and Theft Bureau of the Division. For purposes  
7 of this section, the term "six model years" shall be calculated by counting the model year of the  
8 vehicle's manufacture as the first model year and the current calendar year as the final model  
9 year.

10          These inspections serve as antitheft measures and do not certify the safety or  
11 road-worthiness of a vehicle."

12          **SECTION 6.** G.S. 20-71.4(a)(2) reads as rewritten:

13          "(2)    Transfer a motor vehicle when the transferor has knowledge that the vehicle  
14 is, or was, a flood vehicle, a reconstructed ~~vehicle,~~vehicle, a specially  
15 constructed vehicle, or a salvage motor vehicle, without disclosing that fact  
16 in writing to the transferee prior to the transfer of the vehicle."

17          **SECTION 7.** This act becomes effective July 1, 2009, and applies to applications  
18 received by the Division of Motor Vehicles on or after that date.