

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 1364

Short Title: Scrap Vehicle Purchase/Parts-Records. (Public)

Sponsors: Senator Hagan.

Referred to: Commerce, Small Business and Entrepreneurship.

March 26, 2007

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE SECONDARY PURCHASERS OF MOTOR VEHICLES
3 FOR SCRAP METAL OR SALVAGE PARTS TO MAINTAIN RECORDS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. Chapter 20 of the General Statutes is amended by adding a
6 new section to read:

7 **§ 20-62.1. Purchase of vehicles for purposes of scrap or parts only.**

8 (a) A secondary metals recycler, as defined in G.S. 66-11(3), salvage yard, as
9 defined in G.S. 20-137.7(6), or any other person, firm, or corporation, purchasing motor
10 vehicles solely for the purposes of dismantling or wrecking such motor vehicles for the
11 recovery of scrap metal or for the sale of parts only, must comply with the provision of
12 G.S. 20-61 provided however, that a secondary metals recycler, salvage yard, or any
13 other person, firm, or corporation may purchase any such motor vehicle without a
14 certificate of title, if such vehicle is 10 model years old or older and meets the following
15 requirements:

16 (1) Records required. – A secondary metals recycler, salvage yard, any
17 other person, firm, or corporation shall maintain a record of all
18 purchase transactions of motor vehicles. The following information
19 shall be maintained for transactions of motor vehicles:

- 20 a. The name and address of the secondary metals recycler or
21 salvage yard.
22 b. The name, initials, or other identification of the individual
23 entering the information.
24 c. The date of the transaction.
25 d. A description of the motor vehicle, including the make and
26 model to the extent practicable.
27 e. The vehicle identification number (VIN) of the vehicle.
28 f. The amount of consideration given for the motor vehicle.

- 1 g. A written statement signed by the seller or the seller's agent
2 certifying that the seller or the seller's agent has the lawful right
3 to sell and dispose of the motor vehicle.
- 4 h. The name and address of the person from whom the motor
5 vehicle is being purchased.
- 6 i. A photocopy or electronic scan of a valid drivers license or
7 identification card issued by the North Carolina Division of
8 Motor Vehicles of the person delivering the regulated metals
9 property to the secondary metals recycler, or in lieu thereof, any
10 other identification card containing a photograph of the seller as
11 issued by any State or federal agency of the United States:
12 Provided, that if the buyer has a copy of the seller's photo
13 identification on file, the buyer may reference the identification
14 that is on file, without making a separate photocopy for each
15 transaction. If seller has no identification as described above,
16 the secondary metals recycler, salvage yard, and any other
17 person, firm, or corporation shall not complete the transaction.

18 A secondary metals recycler, salvage yard, or any other person, firm,
19 or corporation shall maintain the information required under this
20 subdivision for not less than two years from the date of the purchase of
21 the motor vehicle.

22 (2) Inspection of motor vehicles and records. – At anytime it appears a
23 secondary metals recycler, salvage yard, or any other person, firm, or
24 corporation, involved in scrap metal operations, is open for business, a
25 law enforcement officer shall have the right to inspect the following:

- 26 a. Any and all motor vehicles in the possession of the secondary
27 metals recycler, the salvage yard, or any other person, firm, or
28 corporation involved in the scrap metal operations.
- 29 b. Any records required to be maintained under subdivision (1) of
30 this section.

31 (b) Right to Restitution. – The court may order a defendant to make restitution to
32 the secondary metals recycler, salvage yard, or any other person, firm, or corporation
33 for any damage or loss caused by the defendant arising out of an offense committed by
34 the defendant.

35 (c) Violations. – Any person who knowingly and willfully violates any of the
36 provisions of this section shall be guilty of a Class 1 misdemeanor for a first offense. A
37 second or subsequent violation of this section is a Class I felony.

38 (d) Confiscation of Vehicle or Tools Used in Illegal Sale. – Any vehicle or tools
39 used in the commission of an illegal sale under this section may be seized by law
40 enforcement, provided however, that no vehicle used by any person in the transaction of
41 a sale of regulated metals is subject to forfeiture unless it appears that the owner or other
42 person in charge of the motor vehicle is a consenting party or privy to the commission
43 of a crime and a forfeiture of the vehicle encumbered by a bona fide security interest is

1 subject to the interest of the secured party who had no knowledge of or consented to the
2 act.

3 Whenever property is forfeited under this section, the law enforcement agency
4 having custody of it may:

5 (1) Retain the property for official use.

6 (2) Sell any forfeited property which is not required to be destroyed by
7 law and which is not harmful to the public, provided that the proceeds
8 are remitted to the Civil Fines and Forfeitures Fund established
9 pursuant to G.S. 115C-457.1.

10 (3) Transfer any vehicle or tools which are forfeited under the provisions
11 of this section to the North Carolina Department of Justice when, in
12 the discretion of the presiding judge and upon application of the North
13 Carolina Department of Justice, said vehicle may be of official use to
14 the North Carolina Department of Justice.

15 (4) Upon determination by the director or head of any law enforcement
16 agency that a vehicle or tools transferred to the agency, pursuant to the
17 provisions of this section, is of no further use to the agency for use in
18 official investigations, any vehicle or tools may be sold as surplus
19 property in the same manner as other vehicles owned by the law
20 enforcement agency and the proceeds from such sale shall be remitted
21 to the Civil Fines and Forfeitures Fund established pursuant to
22 G.S. 115C-457.1.

23 (e) Exemptions. – For purposes of this part, the term "motor vehicle" shall not
24 include motor vehicles which have been mechanically flattened, crushed, baled, or
25 logged and sold for purposes of scrap metal only.

26 (f) Preemption. – No local government shall enact any local law or ordinance
27 regulating secondary metals recyclers, salvage yards, or any other person, firm, or
28 corporation involved in secondary metals operations.

29 **SECTION 2.** This act becomes effective December 1, 2007, and applies to
30 offenses committed on or after that date.