

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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SENATE BILL 1364  
Commerce, Small Business and Entrepreneurship Committee Substitute Adopted  
5/16/07

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

Sponsors:

Referred to:

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) Records for Scrap or Parts. – A secondary metals recycler, as defined in  
9 G.S. 66-11(a)(3), and a salvage yard, as defined in G.S. 20-137.7(6), 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 or salvage yard may  
13 purchase a motor vehicle without a certificate of title, if the motor vehicle is 10 model  
14 years old or older and the secondary metals recycler or salvage yard comply with the  
15 following requirements:

16 (1) Maintain a record of all purchase transactions of motor vehicles. The  
17 following information shall be maintained for transactions of motor  
18 vehicles:

- 19 a. The name and address of the secondary metals recycler or  
20 salvage yard.  
21 b. The name, initials, or other identification of the individual  
22 entering the information.  
23 c. The date of the transaction.  
24 d. A description of the motor vehicle, including the make and  
25 model to the extent practicable.  
26 e. The vehicle identification number (VIN) of the vehicle.  
27 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 Division of Motor Vehicles of  
8           the seller of the motor vehicle, or seller's agent, to the  
9           secondary metals recycler or salvage yard, or in lieu thereof,  
10          any other identification card containing a photograph of the  
11          seller as issued by any state or federal agency of the United  
12          States: provided, that if the buyer has a copy of the seller's  
13          photo identification on file, the buyer may reference the  
14          identification that is on file, without making a separate  
15          photocopy for each transaction. If seller has no identification as  
16          described in this sub-subdivision, the secondary metals recycler  
17          or salvage yard shall not complete the transaction.

18          (2)   Maintain the information required under subdivision (1) of this  
19          subsection for not less than two years from the date of the purchase of  
20          the motor vehicle.

21          (b)   Inspection of Motor Vehicles and Records. – At any time it appears a  
22          secondary metals recycler, salvage yard, or any other person involved in secondary  
23          metals operations is open for business, a law enforcement officer shall have the right to  
24          inspect the following:

- 25               (1)   Any and all motor vehicles in the possession of the secondary metals  
26               recycler, the salvage yard, or any other person involved in secondary  
27               metals operations.
- 28               (2)   Any records required to be maintained under subsection (a) of this  
29               section.

30          (c)   Violations. – Any person who knowingly and willfully violates any of the  
31          provisions of this section, or any person who falsifies the statement required under  
32          subsection (a)(1)g. of this section, shall be guilty of a Class 1 misdemeanor for a first  
33          offense. A second or subsequent violation of this section is a Class I felony. The court  
34          may order a defendant seller under this subsection to make restitution to the secondary  
35          metals recycler or salvage yard for any damage or loss caused by the defendant seller  
36          arising out of an offense committed by the defendant seller.

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

1 Whenever property is forfeited under this subsection by order of the court, the law  
2 enforcement agency having custody of the property shall sell any forfeited property  
3 which is not required to be destroyed by law and which is not harmful to the public,  
4 provided that the proceeds are remitted to the Civil Fines and Forfeitures Fund  
5 established pursuant to G.S. 115C-457.1.

6 (e) Exemptions. – As used in this section, the term "motor vehicle" shall not  
7 include motor vehicles which have been mechanically flattened, crushed, baled, or  
8 logged and sold for purposes of scrap metal only.

9 (f) Preemption. – No local government shall enact any local law or ordinance  
10 with regards to the regulation of the sale of motor vehicles to secondary metals recyclers  
11 or salvage yards."

12 **SECTION 2.** G.S. 20-61 reads as rewritten:

13 **"§ 20-61. Owner dismantling or wrecking vehicle to return evidence of**  
14 **registration.**

15 Any Except as permitted under G.S. 20-62.1, any owner dismantling or wrecking  
16 any vehicle shall forward to the Division the certificate of title, registration card and  
17 other proof of ownership, and the registration plates last issued for such vehicle, unless  
18 such plates are to be transferred to another vehicle of the same owner. In that event, the  
19 plates shall be retained and preserved by the owner for transfer to such other vehicle. No  
20 person, firm or corporation shall dismantle or wreck any motor vehicle without first  
21 complying with the requirements of this section. The Commissioner upon receipt of  
22 certificate of title and notice from the owner thereof that a vehicle has been junked or  
23 dismantled may cancel and destroy such record of certificate of title."

24 **SECTION 3.** This act becomes effective December 1, 2007, and applies to  
25 offenses committed and motor vehicles purchased on or after that date.