

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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HOUSE BILL 26
Committee Substitute Favorable 5/8/13
Third Edition Engrossed 5/13/13
PROPOSED SENATE COMMITTEE SUBSTITUTE H26-PCS80383-RK-70

Short Title: Strengthen Laws/Vehicle Theft.

(Public)

Sponsors:

Referred to:

January 31, 2013

1 A BILL TO BE ENTITLED
2 AN ACT TO STRENGTHEN THE LAWS PROTECTING AGAINST THE THEFT OF
3 VEHICLES FOR DISASSEMBLY AND RESALE OF PARTS AND TO ASSIST LAW
4 ENFORCEMENT IN THE INVESTIGATION OF ORGANIZED CRIMINAL ACTIVITY
5 ASSOCIATED WITH THE THEFT OF VEHICLES.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 14-72.7(a) reads as rewritten:

8 "**§ 14-72.7. Chop shop activity.**

9 (a) A person is guilty of a ~~Class H~~ Class G felony if that person knowingly engages in
10 any of the following activities, without regard to the value of the property in question:

- 11 (1) Altering, destroying, disassembling, dismantling, reassembling, or storing
12 any motor vehicle or motor vehicle part the person knows or has reasonable
13 grounds to believe ~~to be~~ has been illegally obtained by theft, fraud, or other
14 illegal means.
- 15 (2) Permitting a place to be used for any activity prohibited by this section,
16 where the person either owns or has legal possession of the place, and knows
17 or has reasonable grounds to believe that the place is being used for any
18 activity prohibited by this section.
- 19 (3) Purchasing, disposing of, selling, transferring, receiving, or possessing a
20 motor vehicle or motor vehicle part either knowing or having reasonable
21 grounds to believe ~~with the knowledge~~ that the vehicle identification number
22 of the motor vehicle, or vehicle part identification number of the vehicle
23 part, has been altered, counterfeited, defaced, destroyed, disguised, falsified,
24 forged, obliterated, or removed.
- 25 (4) Purchasing, disposing of, selling, transferring, receiving, or possessing a
26 motor vehicle or motor vehicle part to or from a person engaged in any
27 activity prohibited by this section, knowing or having reasonable grounds to
28 believe that the person is engaging in that activity."

29 **SECTION 2.** G.S. 20-62.1 reads as rewritten:

30 "**§ 20-62.1. Purchase of vehicles for purposes of scrap or parts only.**

31 (a) Records for Scrap or Parts. – A secondary metals recycler, as defined in
32 G.S. 66-420(8), and a salvage yard, as defined in G.S. 20-137.7(6), purchasing motor vehicles
33 solely for the purposes of dismantling or wrecking such motor vehicles for the recovery of
34 scrap metal or for the sale of parts only, ~~must~~ shall comply with the ~~provision~~ provisions of



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1 ~~G.S. 20-61~~, G.S. 20-61 and subsection (a1) of this section, provided, however, that a secondary
2 metals recycler or salvage yard may purchase a motor vehicle without a certificate of title, if the
3 motor vehicle is 10 model years old or older and the secondary metals recycler or salvage yard
4 comply with the following requirements:

- 5 (1) Maintain a record on a form, or in a format, as approved by the Division of
6 Motor Vehicles (DMV) of all purchase transactions of motor vehicles. The
7 following information shall be maintained for transactions of motor vehicles:
8 a. ~~The name and address~~ name, address, and contact information of the
9 secondary metals recycler or salvage yard.
10 b. The name, initials, or other identification of the individual entering
11 the information.
12 c. The date of the transaction.
13 d. A description of the motor vehicle, including the ~~make~~ year, make,
14 and model to the extent practicable.
15 e. The vehicle identification number (VIN) of the vehicle.
16 f. The amount of consideration given for the motor vehicle.
17 g. A written statement signed by the seller or the seller's agent
18 certifying that (i) the seller or the seller's agent has the lawful right to
19 sell and dispose of the motor vehicle, (ii) the motor vehicle is
20 at least 10 model years old, and (iii) the motor vehicle is not subject
21 to any security interest or lien.
22 g1. A written statement that the motor vehicle will be scrapped or
23 crushed for disposal or dismantled for parts only.
24 h. ~~The name and address~~ name, address, and drivers license number of
25 the person from whom the motor vehicle is being purchased.
26 i. A photocopy or electronic scan of a valid drivers license or
27 identification card issued by the ~~Division of Motor Vehicles~~ DMV of
28 the seller of the motor vehicle, or seller's agent, to the secondary
29 metals recycler or salvage yard, or in lieu thereof, any other
30 identification card containing a photograph of the seller as issued by
31 any state or federal agency of the United States: provided, that if the
32 buyer has a copy of the seller's photo identification on file, the buyer
33 may reference the identification that is on file, without making a
34 separate photocopy for each transaction. If seller has no identification
35 as described in this sub-subdivision, the secondary metals recycler or
36 salvage yard shall not complete the transaction.
- 37 (1a) Verify with the DMV whether or not the motor vehicle has been reported
38 stolen. The DMV shall develop a method to allow a person subject to this
39 section to verify, at the time of the transaction, through the use of the
40 Internet, that the vehicle has not been reported stolen, and that also allows
41 for the DMV's response to be printed and retained by the person making the
42 request. One of the following shall apply following the DMV response:
43 a. If the Division of Motor Vehicles confirms that the motor vehicle has
44 been reported stolen, the secondary metals recycler or salvage yard
45 shall not complete the transaction and shall notify the DMV of the
46 current location of the vehicle and the identifying information of the
47 person attempting to transfer the vehicle.
48 b. If the Division of Motor Vehicles confirms that the motor vehicle has
49 not been stolen, the secondary metals recycler or salvage yard may
50 proceed with the transaction and shall not be held criminally or
51 civilly liable if the motor vehicle later turns out to be a stolen vehicle,

1 unless the secondary metals recycler had knowledge that the motor
2 vehicle was a stolen vehicle.

- 3 (2) Maintain the information required under subdivision (1) of this subsection
4 subsection, and the record confirming that the vehicle was not stolen,
5 required under subdivision (1a) of this subsection, for not less than two years
6 from the date of the purchase of the motor vehicle.

7 (a1) Reporting Requirement. – Within 72 hours of each day's close of business, a
8 secondary metals recycler or salvage yard purchasing a motor vehicle under this section shall
9 submit to the National Motor Vehicle Title Information System (NMVTIS) such information
10 contained in subdivision (1) of subsection (a) of this section, along with any other information
11 or statement pertaining to the intended disposition of the motor vehicle, as may be required.
12 The information shall be in a format that will satisfy the requirement for reporting information
13 in accordance with rules adopted by the United States Department of Justice in 28 C.F.R. §
14 25.56. A secondary metals recycler or salvage yard may comply with this subsection by
15 reporting the information required by this subsection to a third-party consolidator as long as the
16 third-party consolidator reports the information to the NMVTIS in compliance with the
17 provisions of this subsection.

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

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

25 (b1) Availability of Information. – The information obtained by the Division of Motor
26 Vehicles pursuant to this section shall be made available to law enforcement agencies only. The
27 information submitted pursuant to this section is confidential and shall not be considered a
28 public record as that term is defined in G.S. 132-1.

29 (c) Violations. – Any person who knowingly and willfully violates any of the
30 provisions of this section, or any person who falsifies the statement required under subsection
31 (a)(1)g. of this section, shall be guilty of a ~~Class 1 misdemeanor for a first offense. A second or~~
32 ~~subsequent violation of this section is a Class I felony.~~ felony and shall pay a minimum fine of
33 one thousand dollars (\$1,000). The court may order a defendant seller under this subsection to
34 make restitution to the secondary metals recycler or salvage yard or lien holder for any damage
35 or loss caused by the defendant seller arising out of an offense committed by the defendant
36 seller.

37 "...."

38 **SECTION 3.** Section 1 of this act becomes effective December 1, 2013, and
39 applies to offenses committed on or after that date. Section 2 of this act becomes effective for
40 reports and transactions occurring on or after December 1, 2013, and applies to offenses
41 committed on or after that date. Prosecutions for offenses committed before the effective date
42 of this act are not abated or affected by this act, and the statutes that would be applicable but for
43 this act remain applicable to those prosecutions.