

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

H

2

HOUSE BILL 26  
Committee Substitute Favorable 5/8/13

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  
35 ~~G.S. 20-61, G.S. 20-61~~ and subsection (a1) of this section, provided, however, that a secondary  
36 metals recycler or salvage yard may purchase a motor vehicle without a certificate of title, if the



1 motor vehicle is ~~10~~12 model years old or older and the secondary metals recycler or salvage  
2 yard comply with the following requirements:

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

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

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

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

19 (1) Any and all motor vehicles in the possession of the secondary metals  
20 recycler, the salvage yard, or any other person involved in secondary metals  
21 operations.

22 (2) Any records required to be maintained under subsection (a) of this section.

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

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

35 ...."

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