

§ 20-72.1. Transfer by owner when a certificate of title is unavailable; consumer remedies.

(a) Notwithstanding any other provision in this Article, when a manufacturer's statement of origin or an existing certificate of title on a motor vehicle is unavailable, a motor vehicle dealer licensed under Article 12 of this Chapter shall deliver the manufacturer's statement of origin or certificate of title to the Division within 20 days of receipt of the title, but no later than 60 days following the later of the date of the sale or transfer of the vehicle or the date of the creation of a security interest in the vehicle pursuant to G.S. 20-58(b). The dealer may offer the vehicle for sale provided that the purchaser is given written notice prior to sale that the dealer is not in possession of the manufacturer's statement of origin or certificate of title and that the purchaser may be entitled to liquidated damages pursuant to subsection (b) of this section if the dealer fails to deliver the manufacturer's statement of origin or certificate of title to the Division in accordance with this subsection. For purposes of this subsection, a vehicle's manufacturer's statement of origin or existing certificate of title shall be considered unavailable under either of the following circumstances:

- (1) The manufacturer's statement of origin or certificate of title has not been actually delivered to the dealer on or prior to the date the dealer sold or transferred the vehicle.
- (2) The manufacturer's statement of origin or certificate of title was lost or misplaced on or prior to the date the dealer sold or transferred the vehicle.

(b) In any case where a dealer fails to deliver the manufacturer's statement of origin or certificate of title to the Division within the 60-day time period allowed in subsection (a) of this section, the vehicle purchaser may elect to receive liquidated damages from the dealer in the amount of five percent (5%) of the vehicle purchase price, not to exceed one thousand dollars (\$1,000), provided that the dealer receives written demand for liquidated damages from the purchaser within 10 days after the expiration of the 60-day period provided in subsection (a) of this section. The liquidated damages provided in this subsection shall be payable by the dealer within 30 days after the receipt of the purchaser's written demand. Nothing in this section shall be construed to limit any other civil remedies or consumer protections available to the vehicle purchaser. Nothing in this section shall be construed to prohibit a motor vehicle dealer who pays liquidated damages or other valuable consideration to a vehicle purchaser or lessee from obtaining a release from the purchaser or lessee for any other damages or liability arising out of or related to the sale or lease of the vehicle.

(c) Notwithstanding any other provision in this Article, a motor vehicle dealer licensed under Article 12 of this Chapter may sell or transfer a motor vehicle when a manufacturer's statement of origin or an existing certificate of title on the motor vehicle is unavailable and the motor vehicle is sold or transferred to a current lessee of the motor vehicle regardless of whether the payment of any residual amount or payoff amount for the vehicle has been made to the lessor who holds legal title to the motor vehicle at the time of the sale or transfer. The vehicle purchaser notice requirement in subsection (a) of this section, liquidated damages requirements in subsections (a) and (b) of this section, and sworn certification requirements of G.S. 20-52.1(d) and G.S. 20-72(b) shall not be applicable when a motor vehicle is sold or transferred to the current lessee of the motor vehicle. (2018-42, s. 2(d); 2018-145, s. 4; 2019-181, s. 5(c).)