

**TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH  
LEGISLATURE**

**IN THE HOUSE OF REPRESENTATIVES**

\_\_\_\_\_  
Session, 2023

\_\_\_\_\_  
H. B. 23- 71

---

---

**A BILL FOR AN ACT**

To provide disclosure requirements upon transfer of ownership  
of a vehicle rebuilt from salvage.

**BE IT ENACTED BY THE 23<sup>RD</sup> NORTHERN MARIANAS  
COMMONWEALTH LEGISLATURE:**

1           **Section 1. Findings and Purpose.** The Legislature finds that there are  
2 businesses within the Commonwealth that engage in the selling and/or reselling of  
3 previously damaged vehicles, commonly known as “salvage vehicles”. Despite  
4 being cognizant of the damage sustaining history endured by such vehicles, these  
5 businesses refuse to disclose such information and continue to give false  
6 impressions to potential buyers that the vehicles are in pristine and flawless  
7 conditions. The Legislature finds that such business practices are highly immoral  
8 and will prove to be extremely detrimental to these potential customers. To address  
9 such an unethical business practice, the Legislature finds that it is of utmost  
10 importance to implement disclosure requirements that detail the damages sustained  
11 by such vehicles. In doing so, potential buyers will be allowed to make better and

1 sound judgements while contemplating on purchasing salvage vehicles.

2 Therefore, the purpose of this Act is to provide disclosure requirements  
3 upon transfer of ownership of a vehicle rebuilt from salvage.

4 **Section 2. Amendment.** Title 4, Division 5 of the Commonwealth Code is  
5 hereby amended by adding new provisions to read as follows:

6 **“§101. Disclosure Requirements Upon Transfer of Ownership of a**  
7 **Salvage Vehicle.**

8 (a) Prior to sale of a vehicle rebuilt from salvage to a prospective purchaser  
9 for the purpose of selling or transferring ownership of such vehicle, the  
10 owner shall prepare a disclosure affidavit stating that the vehicle was rebuilt  
11 from salvage. The disclosure affidavit shall also contain a statement of the  
12 owner stating the nature of the damage which resulted in the determination  
13 that the vehicle is a salvage vehicle. The words “vehicle rebuilt from  
14 salvage” shall appear in bold print at the top of each such affidavit.

15 (b) Any person who sells a vehicle rebuilt from salvage for the purpose of  
16 transferring ownership of such vehicle shall:

17 (1) Provide a copy of a disclosure affidavit prepared in accordance with  
18 the provisions of subsection (a) of this section to each prospective  
19 purchaser; and

20 (2) Obtain a signed statement from each such purchaser clearly stating  
21 that the purchaser has received a copy of the disclosure affidavit and

1           has read and understands the provisions contained therein.

2           (c)(1) Any person who purchases a vehicle rebuilt from salvage who was  
3           not provided with a copy of a disclosure affidavit prepared in accordance  
4           with the provisions of subsection (a) of this section and who, subsequent to  
5           sale, discovers that the vehicle purchased was rebuilt from salvage shall be  
6           entitled to a full and immediate refund of the purchase price from the prior  
7           owner.

8           (2) In the event a person is entitled to a refund under this subsection (c), the  
9           prior owner shall be required to make an immediate refund of the full  
10          purchase price to the purchaser. A signed statement from the purchaser  
11          prepared in accordance with the provisions of subsection (b)(2) of this  
12          section shall relieve the prior owner of the obligation to make such refund.

13          (d) Any owner, seller, or transferor of a vehicle rebuilt from salvage who  
14          fails to comply with the provisions of this section shall be guilty of a  
15          misdemeanor and, upon conviction thereof, shall be punished by a fine for  
16          a first offense not to exceed one thousand five hundred dollars and a fine of  
17          one thousand nine hundred ninety-nine dollars and ninety-nine cents for  
18          each subsequent offense.

19          (e) The Director of the Bureau of Motor Vehicle shall prescribe rules and  
20          regulations for the purpose of implementing the provisions of this section.

21          (f) As used in this section, unless the context otherwise requires:

- 1 (1) "Sale" means any sale or transfer of a vehicle rebuilt from salvage.
- 2 (2) "Salvage vehicle" or "vehicle rebuilt from salvage" shall mean:
- 3 (A) A flood-damaged vehicle;
- 4 (B) A vehicle branded as a salvage vehicle by another state or
- 5 territory; or
- 6 (C) A vehicle that is damaged by collision, fire, flood, accident,
- 7 trespass, or other occurrence, excluding hail damage or theft, to the
- 8 extent that the vehicle is determined to be a total loss by the insurer
- 9 or other person acting on behalf of the owner or that the cost of
- 10 repairing the vehicle to a roadworthy condition and for legal
- 11 operation on the highways exceeds the vehicle's retail fair market
- 12 value immediately prior to the damage, as determined by the person
- 13 who owns the vehicle at the time of the occurrence or by the insurer
- 14 or other person acting on behalf of the owner.
- 15 (D) "Salvage vehicle" does not include an off-highway vehicle;
- 16 horseless carriage; street rod vehicle; and a vehicle that qualifies as
- 17 a collector's item.
- 18 (E) In assessing whether a vehicle is a "salvage vehicle" under this
- 19 section, the retail fair market value shall be determined by reference
- 20 to sources generally accepted within the insurance industry
- 21 including price guide books, dealer quotations, computerized

1 valuation services, newspaper advertisements, and certified  
2 appraisals, taking into account the condition of the vehicle prior to  
3 the damage. When assessing the repairs, the assessor shall consider  
4 the actual retail cost of the needed parts and the reasonable and  
5 customary labor rates for needed labor.”

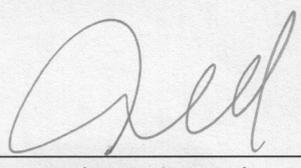
6 **Section 3. Severability.** If any provisions of this Act or the application of  
7 any such provision to any person or circumstance should be held invalid by a court  
8 of competent jurisdiction, the remainder of this Act or the application of its  
9 provisions to persons or circumstances other than those to which it is held invalid  
10 shall not be affected thereby.

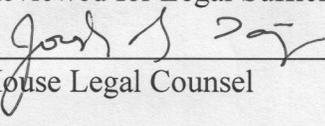
11 **Section 4. Savings Clause.** This Act and any repealer contained herein  
12 shall not be construed as affecting any existing right acquired under contract or  
13 acquired under statutes repealed or under any rule, regulation, or order adopted  
14 under the statutes. Repealers contained in this Act shall not affect any proceeding  
15 instituted under or pursuant to prior law. The enactment of the Act shall not have  
16 the effect of terminating, or in any way modifying, any liability, civil or criminal,  
17 which shall already be in existence on the date this Act becomes effective.

18 **Section 5. Effective Date.** This Act shall take effect upon its approval by  
19 the Governor, or its becoming law without such approval.

Prefiled: 9/1/2023

Date: \_\_\_\_\_

Introduced by:   
Rep. Angelo A. Camacho

Reviewed for Legal Sufficiency by:  
  
House Legal Counsel

