

§ 20-71.4. Failure to disclose damage to a vehicle shall be a misdemeanor.

- (a) It shall be unlawful for any transferor of a motor vehicle to do any of the following:
- (1) Transfer a motor vehicle up to and including five model years old when the transferor has knowledge that the vehicle has been involved in a collision or other occurrence to the extent that the cost of repairing that vehicle, excluding the cost to replace the air bag restraint system, exceeds twenty-five percent (25%) of its fair market retail value at the time of the collision or other occurrence, without disclosing that fact in writing to the transferee prior to the transfer of the vehicle.
 - (2) Transfer a motor vehicle when the transferor has knowledge that the vehicle is, or was, a flood vehicle, a reconstructed vehicle, or a salvage motor vehicle, without disclosing that fact in writing to the transferee prior to the transfer of the vehicle.
 - (3) Transfer a motor vehicle when the transferor has knowledge that a counterfeit supplemental restraint system, or a nonfunctional airbag, or no airbag has been installed in the vehicle. For purposes of this subdivision, in the event the owners of a franchised motor vehicle dealer, as defined in G.S. 20-286(8b), have no actual knowledge that a counterfeit supplemental restraint system component or nonfunctional air bag has been installed in a vehicle, knowledge by any other person shall not be imputed to the franchised motor vehicle dealer or its owners, and the franchised motor vehicle dealer or its owners shall not be deemed to have committed an unlawful act under this subdivision.

(a1) For purposes of this section, the term "five model years" shall be calculated by counting the model year of the vehicle's manufacture as the first model year and the current calendar year as the final model year. Failure to disclose any of the information required under subsection (a) of this section that is within the knowledge of the transferor will also result in civil liability under G.S. 20-348. The Commissioner may prepare forms to carry out the provisions of this section.

(b) It shall be unlawful for any person to remove the title or supporting documents to any motor vehicle from the State of North Carolina with the intent to conceal damage (or damage which has been repaired) occurring as a result of a collision or other occurrence.

(c) It shall be unlawful for any person to remove, tamper with, alter, or conceal the "TOTAL LOSS CLAIM VEHICLE" tamperproof permanent marker that is affixed to the doorjamb of any total loss claim vehicle. It shall be unlawful for any person to reconstruct a total loss claim vehicle and not include or affix a "TOTAL LOSS CLAIM VEHICLE" tamperproof permanent marker to the doorjamb of the rebuilt vehicle. Violation of this subsection shall constitute a Class I felony, punishable by a fine of not less than five thousand dollars (\$5,000) for each offense.

(d) Violation of subsections (a) and (b) of this section shall constitute a Class 2 misdemeanor.

(e) The provisions of this section shall not apply to a State agency that assists the United States Department of Defense with purchasing, transferring, or titling a vehicle to another State agency, a unit of local government, a volunteer fire department, or a volunteer rescue squad. (1987, c. 607, s. 1; 1987 (Reg. Sess., 1988), c. 1105, s. 3; 1989, c. 455, s. 4; 1989 (Reg. Sess., 1990), c. 916, s. 2; 1993, c. 539, s. 337; 1994, Ex. Sess., c. 24, s. 14(c); 1998-212, s. 27.8(b); 2003-258, s. 2; 2009-550, s. 2(a); 2019-155, s. 2.)