

2023 SENATE ENERGY AND NATURAL RESOURCES

SB 2118

2023 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Peace Garden Room, State Capitol

SB 2118
1/12/2023

A bill relating to abandoned motor vehicles; and to declare an emergency

9:30 AM Chairman Patten opened the meeting.

Present were Chairman Patten and Senators Kessel, Kannianen, Boehm, Beard and Magrum.

Discussion Topics:

- Abandoned motor vehicle definition.
- Abandoned vehicle disposal.
- Reimbursements.
- Submerged vehicles.
- Vehicle custody.
- Commercial tow services.

9:31 AM Dianna Trussell, Solid Waste Program Manager, Department of Environmental Quality, introduced the bill and provided written testimony #12964.

9:39 AM Aaron Hummel, North Dakota Highway Patrol, Chief of Staff, testified in favor of the bill and offered written testimony #12991.

10:03 AM Bill Kalanek, North Dakota Towing Association, testified verbally in favor of the bill.

10:04 AM Chairman Patten closed the public hearing.

10:04 AM Chairman Patten closed the meeting.

Rick Schuchard, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Peace Garden Room, State Capitol

SB 2118
1/19/2023

A BILL for an Act relating to abandoned motor vehicles; and to declare an emergency.

3:12 PM Chairman Patten called meeting to order.

Chairman Patten, Senators, Magrum, Beard, Boehm, Kannianen, and Kessel were present.

Discussion Topics:

- Secured party
- Abandoned vehicles

3:14 PM Diana Trussell, Solid Waste Program Manager, ND Department of Environmental Quality, testified and written in favor.

Senator Kessel proposed amendments in favor. #19085

3:17 PM Senator Kessel moved Amendment

3:17 PM Senator Magrum seconded the motion.

Roll call taken.

Senators	Vote
Senator Dale Patten	Y
Senator Jeffery J. Magrum	Y
Senator Todd Beard	Y
Senator Keith Boehm	Y
Senator Jordan L. Kannianen	Y
Senator Greg Kessel	Y

Motion passed. 6-0-0

3:18 PM Senator Kessel motioned a **DO PASS** as amended on **SB 2118**

3:18 PM Senator Kannianen seconded the motion.

Roll call taken.

Senators	Vote
Senator Dale Patten	Y
Senator Jeffery J. Magrum	Y
Senator Todd Beard	Y
Senator Keith Boehm	Y
Senator Jordan L. Kannianen	Y
Senator Greg Kessel	Y

Motion passed. 6-0-0

Senate Energy and Natural Resources Committee
SB 2118
01/19/23
Page 2

Senator Kessel will carry the bill.

3:25 PM Chairman Patten adjourned the meeting.

Patricia Wilkens, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2118: Energy and Natural Resources Committee (Sen. Patten, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2118 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

2023 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Peace Garden Room, State Capitol

SB 2118
2/3/2023

A bill relating to abandoned motor vehicles; and to declare an emergency

9:18 AM Chairman Patten called the meeting to order.

Chairman Patten and Senators Kessel, Kannianen, Boehm, Beard and Magrum are present.

Discussion Topics:

- Amendments
- Private owners
- Towing companies

9:21 AM Senator Kessel moved to retract the previous amendment, #19085, the committee approved and replace it with LC 23.8033.01001, #27089, #27090

9:21 AM Seconded by Senator Boehm seconded the motion.

9:21 AM Roll call vote was taken.

Senators	Vote
Senator Dale Patten	Y
Senator Jeffery J. Magrum	Y
Senator Todd Beard	Y
Senator Keith Boehm	Y
Senator Jordan L. Kannianen	Y
Senator Greg Kessel	Y

Motion passes 6-0-0.

9:23 AM Senator Kessel moved to Do Pass the bill as amended.

Senator Beard seconded the motion.

9:23 AM Roll call vote was taken.

Senators	Vote
Senator Dale Patten	Y
Senator Jeffery J. Magrum	Y
Senator Todd Beard	Y
Senator Keith Boehm	Y
Senator Jordan L. Kannianen	Y
Senator Greg Kessel	Y

Senate Energy and Natural Resources Committee
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Page 2

Motion passes 6-0-0.

Senator Kessel will carry the bill.

This bill does not affect workforce development.

9:24 AM Chairman Patten closed the meeting.

Rick Schuchard, Committee Clerk

DR
1 of 2
1-19-2023

PROPOSED AMENDMENTS TO SENATE BILL NO. 2118

Page 1, line 1, remove the second "and"

Page 1 line 1, after the third comma insert "and"

page 1, line 2, remove "subsection 1 of section"

Page 2, after line 15, insert:

"9. "Secured party" means an insurer covering the abandoned motor vehicle under an insurance policy."

Page 2, line 16, replace "9." with "10."

Page 2, line 19, replace "10." with "11."

Page 2, line 21, replace "11." with "12."

Page 3, remove lines 18 through 30

Page 4, replace lines 1 and 2 with:

"SECTION 4. AMENDMENT. Section 23.1-15-05 of the North Dakota Century Code is amended and reenacted as follows:

23.1-15-05. Notice to owner and law enforcement of abandoned motor vehicle.

1. When an abandoned motor vehicle does not fall within the provisions of section 23.1-15-04, the unit of government or commercial towing service taking it into custody shall give notice of the taking within ten days or within ten days after communications from the owner, lienholder, or secured parties of the abandoned motor vehicle have ceased. The notice must set forth the date and place of the taking, the year, make, model, and serial number of the abandoned motor vehicle, and the place where the vehicle is being held, must inform the owner and any lienholders or secured parties of their right to reclaim the vehicle under section 23.1-15-06, must state that failure of the owner, lienholders, or secured parties to exercise their right to reclaim the vehicle within thirty days is deemed a waiver by the owner, lienholders, or secured parties of all right, title, and interest in the vehicle and a consent to the disposal of the vehicle pursuant to section 23.1-15-07, and must state the end date of the thirty-day period during which the owner may reclaim the abandoned motor vehicle.
2. The notice must be sent by certified mail, return receipt requested, to the registered owner, if any, of the abandoned motor vehicle and to all readily identifiable lienholders or secured parties of record. If it is impossible to determine with reasonable certainty the identity and address of the registered owner and all lienholders, the notice must be published once in a newspaper of general circulation in the area where the motor vehicle was abandoned or placed on the official website for the unit of government that initiated the impound process from public property. When posted on a

website, the notice must be placed in a designated area on the official website for a minimum of thirty days and must include the information in subsection 1. Published notices may be grouped together for convenience and economy. Failure of the owner, lienholders, or secured parties to exercise the right to reclaim the abandoned motor vehicle by the end of the public notice period is deemed a waiver by the owner, lienholders, or secured parties of all right, title, and interests in the vehicle and a consent to the disposal of the vehicle pursuant to section 23.1-15-07.

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3. Subject to section 23.1-15-04, a commercial towing service that takes an abandoned motor vehicle into custody shall provide notice to the law enforcement agency having jurisdiction in the location from which the motor vehicle was towed within twelve hours after completing the tow.
4. Notice under subsection 3 must include:
 - a. The license plate number and state of registration;
 - b. The location from which the abandoned motor vehicle was towed;
 - c. The location to which the abandoned motor vehicle was towed;
 - d. The name, address, and telephone number of the commercial towing service that towed and is storing the abandoned motor vehicle; and
 - e. A description of the abandoned motor vehicle, including make, model, year, and color.
5. A commercial towing service that violates subsection 3 may not collect a storage fee under section 23.1-15-06 and shall return the motor vehicle to the registered owner at no cost to the owner, lienholder, or secured party.
6. This section also applies to emergency towing."

Renumber accordingly

2023 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Peace Garden Room, State Capitol

SB 2118
2/16/2023

A bill relating to abandoned motor vehicles; and to declare an emergency

10:05 AM Chairman Patten opened the meeting.

Chairman Patten and Senators Kessel, Kannianen, Beard, Boehm, and Magrum are present.

Discussion Topics:

- Towing companies
- Establishing vehicle ownership
- Abandoned automobile policies

10:12 AM Diana Trussell, Solid Waste Program Manager, Department of Environmental Quality provided oral testimony.

10:15 AM Aaron Hummel, North Dakota Highway Patrol provided oral testimony.

10:15 AM Senator Beard moved to reconsider SB 2118.
Motion seconded by Senator Boehm.

10:16 AM Roll call vote is taken.

Senators	Vote
Senator Dale Patten	Y
Senator Jeffery J. Magrum	Y
Senator Todd Beard	Y
Senator Keith Boehm	Y
Senator Jordan L. Kannianen	Y
Senator Greg Kessel	Y

Motion passed 6-0-0.

10:16 AM Senator Kessel moved to remove the previously approved amendment and go back to the original bill. Motion seconded by Senator Boehm.

10:17 AM Roll call vote was taken.

Senators	Vote
Senator Dale Patten	Y
Senator Jeffery J. Magrum	Y
Senator Todd Beard	Y
Senator Keith Boehm	Y
Senator Jordan L. Kannianen	Y
Senator Greg Kessel	Y

Motion passes 6-0-0.

10:17 AM Senator Kessel moves to adopt amendment LC.23.8033.01000, #27089.
Motion seconded by Senator Beard.

10:18 AM Roll call vote is taken.

Senators	Vote
Senator Dale Patten	Y
Senator Jeffery J. Magrum	Y
Senator Todd Beard	Y
Senator Keith Boehm	Y
Senator Jordan L. Kannianen	Y
Senator Greg Kessel	Y

Motion passed 6-0-0.

10:20 AM Brian Barrett, North Dakota Towing Association, provided oral testimony.

10:25 AM Senator Beard moved to adopt an additional amendment to the bill, on page 5 line 22 add the word "identifiable", #27092. Senator Magrum seconded the motion.

10:25 AM Roll call vote was taken.

Senators	Vote
Senator Dale Patten	Y
Senator Jeffery J. Magrum	Y
Senator Todd Beard	Y
Senator Keith Boehm	Y
Senator Jordan L. Kannianen	Y
Senator Greg Kessel	Y

Motion passed 6-0-0.

10:27 AM Senator Kessel moved to Do Pass the bill as Amended.
Motion seconded by Senator Beard.

10:27 AM Roll call vote was taken.

Senators	Vote
Senator Dale Patten	Y
Senator Jeffery J. Magrum	Y
Senator Todd Beard	Y
Senator Keith Boehm	Y
Senator Jordan L. Kannianen	Y
Senator Greg Kessel	Y

Motion passes 6-0-0.

Senator Kessel will carry the bill.

This bill does not affect workforce development.

10:27 AM Chairman Patten closed the meeting.

Rick Schuchard, Committee Clerk

JA
2-16-23

PROPOSED AMENDMENTS TO SENATE BILL NO. 2118

Page 1, line 1, remove the second "and"

Page 1, line 2, replace "subsection 1 of section" with "and"

Page 2, after line 15, insert:

"9. "Secured party" means an insurer covering the abandoned motor vehicle under an insurance policy."

Page 2, line 16, replace "9." with "10."

Page 2, line 19, replace "10." with "11."

Page 2, line 21, replace "11." with "12."

Page 3, remove lines 18 through 30

Page 4, replace lines 1 and 2 with:

"SECTION 4. AMENDMENT. Section 23.1-15-05 of the North Dakota Century Code is amended and reenacted as follows:

23.1-15-05. Notice to owner and law enforcement of abandoned vehicle.

1. When an abandoned motor vehicle does not fall within the provisions of section 23.1-15-04, the unit of government or commercial towing service taking it into custody shall give notice of the taking within ten days or within ten days after communications from the owner, lienholder, or secured parties of the abandoned motor vehicle have ceased. The notice must set forth the date and place of the taking, the year, make, model, and serial number of the abandoned motor vehicle, and the place where the vehicle is being held, must inform the owner and any lienholders or secured parties of their right to reclaim the vehicle under section 23.1-15-06, must state that failure of the owner, lienholders, or secured parties to exercise their right to reclaim the vehicle within thirty days is deemed a waiver by the owner, lienholders, or secured parties of all right, title, and interest in the vehicle and a consent to the disposal of the vehicle pursuant to section 23.1-15-07, and must state the end date of the thirty-day period during which the owner may reclaim the abandoned motor vehicle.
2. The notice must be sent by certified mail, return receipt requested, to the registered owner, if any, of the abandoned motor vehicle and to all readily identifiable lienholders or secured parties of record. If it is impossible to determine with reasonable certainty the identity and address of the registered owner and all lienholders, the notice must be published once in a newspaper of general circulation in the area where the motor vehicle was abandoned or placed on the official website for the unit of government that initiated the impound process from public property. When posted on a website, the notice must be placed in a designated area on the official website for a minimum of thirty days and must include the information in

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subsection 1. Published notices may be grouped together for convenience and economy. Failure of the owner, lienholders, or secured parties to exercise the right to reclaim the abandoned motor vehicle by the end of the public notice period is deemed a waiver by the owner, lienholders, or secured parties of all right, title, and interests in the vehicle and a consent to the disposal of the vehicle pursuant to section 23.1-15-07.

3. Subject to section 23.1-15-04, a commercial towing service that takes an abandoned motor vehicle into custody shall provide notice to the law enforcement agency having jurisdiction in the location from which the motor vehicle was towed within twelve hours after completing the tow.
4. Notice under subsection 3 must include:
 - a. The license plate number and state of registration;
 - b. The location from which the abandoned motor vehicle was towed;
 - c. The location to which the abandoned motor vehicle was towed;
 - d. The name, address, and telephone number of the commercial towing service that towed and is storing the abandoned motor vehicle; and
 - e. A description of the abandoned motor vehicle, including make, model, year, and color.
5. A commercial towing service that violates subsection 3 may not collect a storage fee under section 23.1-15-06 and shall return the motor vehicle to the registered owner at no cost to the owner, lienholder, or identifiable secured party."

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2118: Energy and Natural Resources Committee (Sen. Patten, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2118 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, line 1, remove the second "and"

Page 1, line 2, replace "subsection 1 of section" with "and"

Page 2, after line 15, insert:

"9. "Secured party" means an insurer covering the abandoned motor vehicle under an insurance policy."

Page 2, line 16, replace "9." with "10."

Page 2, line 19, replace "10." with "11."

Page 2, line 21, replace "11." with "12."

Page 3, remove lines 18 through 30

Page 4, replace lines 1 and 2 with:

"SECTION 4. AMENDMENT. Section 23.1-15-05 of the North Dakota Century Code is amended and reenacted as follows:

23.1-15-05. Notice to owner and law enforcement of abandoned vehicle.

1. When an abandoned motor vehicle does not fall within the provisions of section 23.1-15-04, the unit of government or commercial towing service taking it into custody shall give notice of the taking within ten days or within ten days after communications from the owner, lienholder, or secured parties of the abandoned motor vehicle have ceased. The notice must set forth the date and place of the taking, the year, make, model, and serial number of the abandoned motor vehicle, and the place where the vehicle is being held, must inform the owner and any lienholders or secured parties of their right to reclaim the vehicle under section 23.1-15-06, must state that failure of the owner, lienholders, or secured parties to exercise their right to reclaim the vehicle within thirty days is deemed a waiver by the owner, lienholders, or secured parties of all right, title, and interest in the vehicle and a consent to the disposal of the vehicle pursuant to section 23.1-15-07, and must state the end date of the thirty-day period during which the owner may reclaim the abandoned motor vehicle.
2. The notice must be sent by certified mail, return receipt requested, to the registered owner, if any, of the abandoned motor vehicle and to all readily identifiable lienholders or secured parties of record. If it is impossible to determine with reasonable certainty the identity and address of the registered owner and all lienholders, the notice must be published once in a newspaper of general circulation in the area where the motor vehicle was abandoned or placed on the official website for the unit of government that initiated the impound process from public property. When posted on a website, the notice must be placed in a designated area on the official website for a minimum of thirty days and must include the information in subsection 1. Published notices may be grouped together for convenience and economy. Failure of the owner, lienholders, or secured parties to exercise the right to reclaim the abandoned motor vehicle by the end of the public notice period is deemed a waiver by the

- owner, lienholders, or secured parties of all right, title, and interests in the vehicle and a consent to the disposal of the vehicle pursuant to section 23.1-15-07.
3. Subject to section 23.1-15-04, a commercial towing service that takes an abandoned motor vehicle into custody shall provide notice to the law enforcement agency having jurisdiction in the location from which the motor vehicle was towed within twelve hours after completing the tow.
 4. Notice under subsection 3 must include:
 - a. The license plate number and state of registration;
 - b. The location from which the abandoned motor vehicle was towed;
 - c. The location to which the abandoned motor vehicle was towed;
 - d. The name, address, and telephone number of the commercial towing service that towed and is storing the abandoned motor vehicle; and
 - e. A description of the abandoned motor vehicle, including make, model, year, and color.
 5. A commercial towing service that violates subsection 3 may not collect a storage fee under section 23.1-15-06 and shall return the motor vehicle to the registered owner at no cost to the owner, lienholder, or identifiable secured party."

Renumber accordingly

2023 HOUSE ENERGY AND NATURAL RESOURCES

SB 2118

2023 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Coteau AB Room, State Capitol

SB 2118
3/16/2023

Relating to abandoned motor vehicles and to declare an emergency

9:01 AM

Chairman Porter opened the hearing. Members present: Chairman Porter, Vice Chairman D. Anderson, Representatives Bosch, Conmy, Dockter, Hagert, Heinert, Ista, Kasper, Marschall, Novak, Olson, Roers Jones, and Ruby.

Discussion Topics:

- Abandoned Motor Vehicle Definition
- Abandoned Auto Fund
- Towing Companies Reimbursement
- Storage Costs
- Prompt Disposal
- Submerged Vehicles
- Emergency Measure
- Commercial Towing Services
- Untitled Vehicles
- Safety Issue to Highway
- Transfer of Custody
- Owner Plates
- Proposed Amendment
- Emergency Towing
- Accident Tows
- Public vs. Private Property Tows

Diane Trussell, Solid Waste Program, Department of Environmental Quality, Testimony #25456

Maj. Aaron Hummel, Chief of Staff, ND Highway Patrol, Testimony #25515

John Ward, North Dakota Insurers, ANDI, Testimony #25552

Chris Owen, Director, Casualty Claims Nodak Insurance, oral testimony

Brian Barrett, ND Towing Association, Testimony #25452

9:55 AM Chairman Porter closed the hearing.

Kathleen Davis, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Coteau AB Room, State Capitol

SB 2118
3/16/2023

Relating to abandoned motor vehicles and to declare an emergency

11:23 AM Chairman Porter opened the meeting.

Members present: Chairman Porter, Vice Chairman D. Anderson, Representatives Bosch, Conmy, Dockter, Hagert, Heinert, Ista, Kasper, Marschall, Novak, Olson, Roers Jones, and Ruby.

Discussion Topics:

- Committee action

Rep Olson move to amend Section 4 and insert "identifiable," seconded by Rep Ruby. Voice vote, motion carried. (#27091)

Rep Dockter moved a Do Pass as Amended, seconded by Rep Novak.

Representatives	Vote
Representative Todd Porter	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	Y
Representative Liz Conmy	Y
Representative Jason Dockter	Y
Representative Jared Hagert	Y
Representative Pat D. Heinert	Y
Representative Zachary Ista	Y
Representative Jim Kasper	AB
Representative Andrew Marschall	Y
Representative Anna S. Novak	Y
Representative Jeremy Olson	Y
Representative Shannon Roers Jones	Y
Representative Matthew Ruby	Y

13-0-1 Motion carried. Rep Ista is carrier.

11:25 AM Meeting adjourned.

Kathleen Davis, Committee Clerk

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PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2118

Page 3, line 27, after "or" insert "identifiable"

Page 3, line 30, after "or" insert "identifiable"

Page 4, line 1, after "or" insert "identifiable"

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2118, as engrossed: Energy and Natural Resources Committee (Rep. Porter, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2118 was placed on the Sixth order on the calendar.

Page 3, line 27, after "or" insert "identifiable"

Page 3, line 30, after "or" insert "identifiable"

Page 4, line 1, after "or" insert "identifiable"

Renumber accordingly

TESTIMONY

SB 2118



Testimony in Support of
Senate Bill No. 2118
Senate Energy and Natural
Resources Committee
January 12, 2023

TESTIMONY OF

Diana Trussell, Solid Waste Program Manager

Good morning Chairman Patten and members of the Senate Energy and Natural Resources Committee. My name is Diana Trussell and I am the Solid Waste Program Manager of the Department of Environmental Quality. I am here to testify in support of Senate Bill 2118.

The changes to North Dakota Century Code Section 23.1-15-01, Section 23.1-15-03, Section 23.1-15-04, Subsection 1 of Section 23.1-15-05, Subsection 1 of Section 23.1-15-07, Section 23.1-15-08 and Section 23.1-15-09 were submitted at our request and in collaboration with the Highway Patrol and the Department of Transportation. I will be addressing the proposed amendments to NDCC Section 23.1-15-01, Section 23.1-15-04, Section 23.1-15-08 and Section 23.1-15-09. A representative from Highway Patrol will be addressing the proposed amendments to NDCC Section 23.1-15-03, Subsection 1 of Section 23.1-15-05 and Subsection 1 of Section 23.1-15-07.

NDCC 23.1-15-01

The amendment requested in **Section 1** clarifies the definition of abandoned motor vehicle, defines permitted scrap iron processor, scrap tire, and submerged vehicle, and eliminates the definition of vital component parts, already a part of the abandoned motor vehicle definition.

NDCC 23.1-15-04

The amendment requested in **Section 3** addresses when an abandoned motor vehicle may be disposed of immediately and that it is not eligible for storage cost reimbursement. Incorporating a value on the abandoned motor vehicle versus the age, and determining if the vehicle is missing vital component parts will allow prompt disposal of junk vehicles rather than risk their indefinite storage.

NDCC 23.1-15-08

The amendment requested in **Section 6** clarifies vehicles as meaning abandoned motor vehicles. It also clarifies that the Department issues permits rather than licenses for scrap iron processors.

NDCC 23.1-15-09

The amendment requested in **Section 7** again clarifies that the Department issues permits for qualified scrap iron processors instead of licenses. This amendment also allows units of government to request reimbursement for the collection and disposal of scrap tires. It further clarifies that while the Department does not contract with commercial towing services for the removal and disposal of abandoned motor vehicles, the Department may reimburse for those services if the owner, lienholder, or secured parties of the abandoned motor vehicle cannot be identified.

To date, the Department has received reimbursement requests from commercial towing services that total over \$210,000, which nearly exceeds the amount appropriated each biennium. Many reimbursement requests are for abandoned motor vehicles where the owner is known but has not claimed the vehicle. The reimbursement funds are limited, and the Department works to stretch those funds out for maximize benefit. The requested changes also clearly state that reimbursement must be requested on the Department's form and that reimbursements are subject to the limitations of legislative appropriations and the Department's discretion.

Most years, the Department receives calls regarding submerged vehicles and how to remove them if the owner does not do so. The Department developed a policy to address this. We now ask it be added to the law to clarify the Department's and the owner's responsibilities for those situations. The changes in this bill provide two paths the Department may proceed with depending on whether or not there is an owner to claim the vehicle.

In **Section 8**, the Department is requesting this act to be declared an emergency measure to support the needs of Highway Patrol. Their representative will further explain those needs.

Mr. Chairman and committee members, this concludes my testimony. I ask for your support for Senate Bill 2118 with the requested amendments. I would be happy to answer any questions.



68th Legislative Assembly
Testimony in Support of
Senate Bill No. 2118
Senate Energy and Natural
Resources Committee
January 11, 2023

TESTIMONY OF

Maj. Aaron Hummel, Chief of Staff

Good morning, Chairman Patten, and members of the committee. My name is Aaron Hummel and I serve as the chief of staff for the North Dakota Highway Patrol. I am here to provide testimony in support of Senate Bill 2118.

The changes in this bill, submitted by The Department of Environmental Quality, are the result of a collaboration between our agencies with additional input from the Department of Transportation. I will speak specifically to the changes provided in Section 2 relating to NDCC 23.1-15-03, Section 4 relating to NDCC 23.1-15-05, Section 5 relating to NDCC 23.1-15-07 and Section 8 requesting an emergency measure.

NDCC 23.1-15-03

The amendment requested in Section 2 will allow units of government to authorize the transfer of custody of a vehicle after requesting a commercial towing service remove a vehicle from public property. The transfer of custody will then allow the commercial towing service to complete the steps required under 23.1-15 relating to notification, sale, and disposal. Currently, commercial towing services are required to follow the same steps relating to notification, sale, and disposal when a vehicle is towed from private property. This change will make the process consistent for both private and public property. There is actually a duplication of effort being done in some areas of the state for vehicles removed from public property. This amendment is not intended to grant authority to a commercial towing service to remove a vehicle from public property without first being requested to do so by a unit of government. Also, this amendment is meant to provide an additional option for units of government relating to the notification, sale, and disposal of a vehicle. It is not intended to remove the ability for units of government to continue to process abandoned vehicles in the manner they do today, for example selling them at a public auction.

NDCC 23.1-15-05

The amendment in Section 4 comes as a request from industry. This change will clarify when to start the 10-day notification timer in cases where there are initially conversations with owner and/or insurance companies, but the communications then cease. Towing services will then be able to have a clear understanding of when to begin the notification process for the potential sale or disposal of the vehicle in their custody.

NDCC 23.1-15-07

The amendment requested in Section 5, related to changes in NDCC 23.1-15-07 will clarify the process in which a title will be issued by the department of transportation. Currently, because a commercial towing service is not specifically authorized to “take into custody” vehicles from public property as outlined in the current language of 21.1-15-03 which I previously discussed, there is some conflict in the issuance of titles to the commercial towing service companies after all of the steps have been completed to allow for the transfer of ownership, sale, or disposal of the vehicle removed from public property.

Section 8 - Emergency

We would like to request an emergency measure be placed on this bill. Through discussions with stakeholders in the preparation of this bill, we have learned that because of the current conflict in language relating to the titling of vehicles removed from public property which do not go to a public sale, there is the potential for the inadvertent accrual of storage costs with commercial towing companies because they are unable to title the vehicle with the department of transportation after going through all of the necessary steps required by law.

Mr. Chairman and members of the committee, thank you for allowing me to visit with you today, this concludes my testimony. I am happy to answer any questions you may have and request your support of the amendments provided in Senate Bill 2118.

PROPOSED AMENDMENT TO SENATE BILL NO.

2118 Page 2, after line 15, insert:

“9. “Secured party” means an insurer covering the abandoned motor vehicle under an insurance policy.

Page 2, line 16, replace “9” with “10”

Page 2, line 19, replace “10” with “11”

Page 2, line 21, replace “11” with “12”

Page 4, after line 2, insert:

“SECTION 5. AMENDMENT. Section 23.1-15-05 of the North Dakota Century Code is amended and reenacted as follows:

23.1-15-05. Notice to owner and law enforcement of abandoned motor vehicle.

1. When an abandoned motor vehicle does not fall within the provisions of section 23.1-15-04, the unit of government or commercial towing service taking it into custody shall give notice of the taking within ten days. The notice must set forth the date and place of the taking, the year, make, model, and serial number of the abandoned motor vehicle, and the place where the vehicle is being held, must inform the owner and any lienholders or secured parties of their right to reclaim the vehicle under section 23.1-15-06, must state that failure of the owner, lienholders, or secured parties to exercise their right to reclaim the vehicle within thirty days is deemed a waiver by the owner, lienholders, or secured parties of all right, title, and interest in the vehicle and a consent to the disposal of the vehicle pursuant to section 23.1-15-07, and must state the end date of the thirty-day period during which the owner may reclaim the abandoned motor vehicle.
2. The notice must be sent by certified mail, return receipt requested, to the registered owner, if any, of the abandoned motor vehicle and to all readily identifiable lienholders or secured parties of record. If it is impossible to determine with reasonable certainty the identity and address of the registered owner and all lienholders, the notice must be published once in a newspaper of general circulation in the area where the motor vehicle was abandoned or placed on the official website for the unit of government that initiated the impound process from public property. When posted on a website, the notice must be placed in a

designated area on the official website for a minimum of thirty days and must include the information in subsection 1. Published notices may be grouped together for convenience and economy. Failure of the owner, lienholders, or secured parties to exercise the right to reclaim the abandoned motor vehicle by the end of the public notice period is deemed a waiver by the owner, lienholders, or secured parties of all right, title, and interests in the vehicle and a consent to the disposal of the vehicle pursuant to section 23.1-15-07.

3. Subject to section 23.1-15-04, a commercial towing service that takes an abandoned motor vehicle into custody shall provide notice to the law enforcement agency having jurisdiction in the location from which the motor vehicle was towed within twelve hours after completing the tow.

4. Notice under subsection 3 must include:

- a. The license plate number and state of registration;
- b. The location from which the abandoned motor vehicle was towed;
- c. The location to which the abandoned motor vehicle was towed;
- d. The name, address, and telephone number of the commercial towing service that towed and is storing the abandoned motor vehicle; and
- e. A description of the abandoned motor vehicle, including make, model, year, and color.

5. A commercial towing service that violates subsection 3 may not collect a storage fee under section 23.1-15-06 and shall return the motor vehicle to the registered owner at no cost to the owner, ~~lienholder, or secured party.~~

~~6. This section also applies to emergency towing.~~

Renumber accordingly

Testimony
Senate Bill 2118
House Energy and Natural Resources Committee
March 16, 2023
Brian Barrett
ND Towing Association

Good morning, Chairman Porter and members of the House Energy and Natural Resources Committee. My name is Brian Barrett and I'm here today on behalf of the ND Towing Association.

Although I stand in support of SB 2118, we ask if Section 4 line 27 be amended so it reads "identifiable secured party". The bill currently requires towing companies to contact a secured party when providing a notice. This is a problem because most abandoned vehicle do not have insurance. By adding "identifiable" in front of "secured Parties", towing companies will be obligated to contact insurance companies only in situations where they have the appropriate information.

I would ask that the committee consider the proposed amendment and give SB 2118 a DO PASS recommendation. I appreciate your time today.

Thank you.

SECTION 4. AMENDMENT. ~~Subsection 1 of~~Section 23.1-15-05 of the North Dakota Century Code is amended and reenacted as follows:

1. When an abandoned motor vehicle does not fall within the provisions of section 23.1-15-04, the unit of government or commercial towing service taking it into custody shall give notice of the taking within ten days or within ten days after communications from the owner, lienholder, or identified secured parties of the abandoned motor vehicle have ceased. The notice must set forth the date and place of the taking, the year, make, model, and serial number of the abandoned motor vehicle, and the place where the vehicle is being held, must inform the owner and any lienholders or identifiable secured parties of their right to reclaim the vehicle under section 23.1-15-06, must state that failure of the owner, lienholders, or identifiable secured parties to exercise their right to reclaim the vehicle within thirty days is deemed a waiver by the owner, lienholders, or secured parties of all right, title, and interest in the vehicle and a consent to the disposal of the vehicle pursuant to section 23.1-15-07, and must state the end date of the thirty-day period during which the owner may reclaim the abandoned motor vehicle.



Testimony in Support of
Senate Bill No. 2118
House Energy and Natural
Resources Committee
March 16, 2023

TESTIMONY OF

Diana Trussell, Solid Waste Program Manager

Good morning Chairman Porter and members of the House Energy and Natural Resources Committee. My name is Diana Trussell and I am the Solid Waste Program Manager of the Department of Environmental Quality (DEQ). I am here to testify in support of engrossed Senate Bill 2118.

I will be addressing the proposed changes to NDCC Section 23.1-15-01, Section 23.1-15-04, Section 23.1-15-08 and Section 23.1-15-09. Major Hummel with the Highway Patrol will be addressing the proposed changes to NDCC Section 23.1-15-03, Subsection 1 of Section 23.1-15-05 and Subsection 1 of Section 23.1-15-07. These changes were submitted at our request and in collaboration with the Highway Patrol and the Department of Transportation.

Background

I would like to give a brief background on how this all came about. DEQ is responsible for administering the Abandoned Auto Fund, which reimburses units of government for the costs of collecting and recycling abandoned autos, scrap metal, and other metal items. I have included a copy of the fact sheet for the Abandoned Auto Fund. It is funded through a tax of \$1.50 on each initial North Dakota certificate of title issued to a passenger or truck motor vehicle. The DEQ typically receives an appropriation of \$250,000 per biennium for the Abandoned Auto Fund.

In 2020, DEQ and Highway Patrol started talking about how to address abandoned vehicles on the side of the road that towing companies were removing but not getting paid for. At that time, the law did not have any provisions for DEQ to reimburse towing companies as they did not qualify under the Abandoned Auto Fund. During the 2021 legislative session, Highway Patrol sponsored Senate Bill 2098 with support from DEQ, that clarified the notification process and gave DEQ the authority to reimburse towing companies, who met the requirements, the cost of towing abandoned vehicles. This session, DEQ is sponsoring Senate Bill 2118 with support from Highway Patrol to clarify and clean-up of the language.

NDCC 23.1-15-01

The change requested in **Section 1** clarifies the definition of abandoned motor vehicle, defines permitted scrap iron processor, scrap tire, secured party, and submerged vehicle, and eliminates the definition of vital component parts, already a part of the abandoned motor

vehicle definition.

NDCC 23.1-15-04

The change requested in **Section 3** addresses when an abandoned motor vehicle may be disposed of immediately and that it is not eligible for storage cost reimbursement. Incorporating a value on the abandoned motor vehicle versus the age, and determining if the vehicle is missing vital component parts will allow prompt disposal of junk vehicles rather than risk their indefinite storage.

NDCC 23.1-15-08

The change requested in **Section 6** clarifies vehicles as meaning abandoned motor vehicles. It also clarifies that the Department issues permits rather than licenses for scrap iron processors.

NDCC 23.1-15-09

The change requested in **Section 7** again clarifies that the Department issues permits for qualified scrap iron processors instead of licenses. This change also allows units of government to request reimbursement for the collection and disposal of scrap tires. It further clarifies that while the Department does not contract with commercial towing services for the removal and disposal of abandoned motor vehicles, the Department may reimburse for those services if the owner, lienholder, or secured parties of the abandoned motor vehicle cannot be identified.

To date, the Department has received reimbursement requests from commercial towing services that total over \$210,000, which nearly exceeds the amount appropriated each biennium. Many reimbursement requests are for abandoned motor vehicles where the owner is known but has not claimed the vehicle. The reimbursement funds are limited, and the Department works to stretch those funds out for maximize benefit. The requested changes also clearly state that reimbursement must be requested on the Department's form and that reimbursements are subject to the limitations of legislative appropriations and the Department's discretion.

Most years, the Department receives calls regarding submerged vehicles and how to remove them if the owner does not do so. The Department developed a policy to address this. We now ask it be added to the law to clarify the Department's and the owner's responsibilities for those situations. The changes in this bill provide two paths the Department may proceed with depending on whether there is an owner to claim the vehicle.

In **Section 8**, the Department is requesting this act to be declared an emergency measure to support the needs of Highway Patrol. Major Hummel will further explain those needs.

Mr. Chairman and committee members, this concludes my testimony. I ask for your support for engrossed Senate Bill 2118 with the requested changes. I would be happy to answer any questions.



Who is eligible?

The North Dakota Department of Environmental Quality (NDDEQ) Solid Waste Program administers the state Abandoned Auto Fund. Units of government, including state entities, counties, cities, and municipalities, can apply for reimbursement for the costs of collecting and recycling abandoned automobiles, other equipment, and scrap metal. Some operations that have benefited in the past include landfills, local public health units, and local districts.

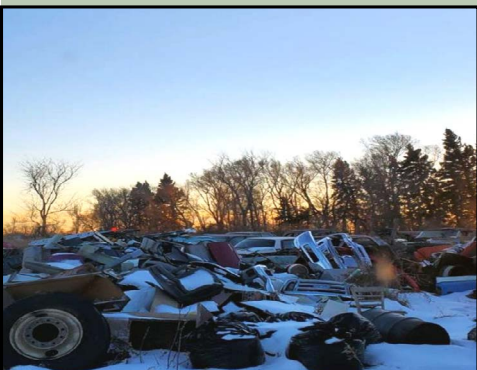


What items qualify?

Abandoned motor vehicles, automobile and implement equipment, large items that yield a significant amount of scrap metal, trailers, campers and RVs, stockpiles of major appliances and other machinery are some of the items that qualify for removal under this fund.

Benefits

There are many benefits to this program including reducing health hazards, improving the appearance of the landscape, and recycling metals. The program also provides technical assistance to communities in cleaning stockpiles of major appliances and other scrap metal. This project is a win/win for all involved! The local entity sees improved property function, unwanted metal is recycled and put to good use, and towing and transport companies are paid for their contribution.



How does it work?

The unit of government sends the completed request for grant form, located at <https://deq.nd.gov/Publications/WM/SW/AAP/RequestforFundsAAP.pdf> to solidwaste@nd.gov with the following information:

- The name of the unit of government requesting the fund
- A first and last name of the contact person, along with address, phone number and email address
- What the intended use for the funds will be
- The anticipated cost of removal

Someone from the Solid Waste Program will follow up on your request. If the request is approved, you will choose a business from a provided list of licensed scrap iron processors. Receipts will be turned into the NDDEQ for reimbursement.

Instructions for businesses interested in becoming a licensed scrap iron processor with the NDDEQ are located at <https://deq.nd.gov/Publications/WM/InstructionsForLicenseApplicationScrapIronProcessor.pdf>. It is free to become a licensed scrap iron processor!



**68th Legislative Assembly**Testimony in **Support of****Senate Bill No. 2118****House Energy and Natural
Resources Committee**

March 16, 2023

TESTIMONY OF

Maj. Aaron Hummel, Chief of Staff

Good morning, Chairman Porter, and members of the committee. My name is Aaron Hummel and I serve as the chief of staff for the North Dakota Highway Patrol. I am here to provide testimony in support of Senate Bill 2118.

As previously mentioned by Ms Trussell, during the 67th legislative assembly, the NDHP brought forth SB 2098, which sought to help address removal of abandoned vehicles from the state's roadways through the use of the abandoned motor vehicle fund administered by The Department of Environmental Quality (DEQ).

The changes in this bill, submitted by DEQ, are the result of a collaboration between our agencies with additional input from the Department of Transportation. I will speak specifically to the changes provided in Section 2 relating to NDCC 23.1-15-03, Section 4 relating to NDCC 23.1-15-05, Section 5 relating to NDCC 23.1-15-07 and Section 8 requesting an emergency measure.

NDCC 23.1-15-03

The changes requested in Section 2 will allow units of government to authorize the transfer of custody of a vehicle after requesting a commercial towing service remove a vehicle from public property. The transfer of custody will then allow the commercial towing service to complete the steps required under 23.1-15 relating to notification, sale, and disposal. Currently, commercial towing services are required to follow the same steps relating to notification, sale, and disposal when a vehicle is towed from private property. This change will make the process consistent for both private and public property. There is actually a duplication of effort being done in some areas of the state for vehicles removed from public property. This amendment is not intended to grant authority to a commercial towing service to remove a vehicle from public property without first being requested to do so by a unit of government. Also, this amendment is meant to provide an additional option for units of government relating to the notification, sale, and disposal of a vehicle. It is not intended to remove the ability for units of government to continue to process abandoned vehicles in the manner they do today, for example selling them at a public auction.

NDCC 23.1-15-05

The changes in Section 4 comes as a request from industry. This change will clarify when to start the 10-day notification timer in cases where there are initially conversations with owner and/or insurance companies, but the communications then cease. Towing services will then be able to have a clear understanding of when to begin the notification process for the potential sale or disposal of the vehicle in their custody. Additional clarifying language was added to section 4 as part of an amendment in the senate.

NDCC 23.1-15-07

The changes requested in Section 5, related to changes in NDCC 23.1-15-07 will clarify the process in which a title will be issued by the department of transportation. Currently, because a commercial towing service is not specifically authorized to "take into custody" vehicles from public property as outlined in the current language of 21.1-15-03 which I previously discussed, there is some conflict in the issuance of titles to the commercial towing service companies after all of the steps have been completed to allow for the transfer of ownership, sale, or disposal of the vehicle removed from public property.

Section 8 - Emergency

We would like to request an emergency measure be placed on this bill. Through discussions with stakeholders in the preparation of this bill, we have learned that because of the current conflict in language relating to the titling of vehicles removed from public property which do not go to a public sale, there is the potential for the inadvertent accrual of storage costs with commercial towing companies because they are unable to title the vehicle with the department of transportation after going through all of the necessary steps required by law.

Mr. Chairman and members of the committee, thank you for allowing me to visit with you today, this concludes my testimony. I am happy to answer any questions you may have and request your support of the engrossed Senate Bill 2118.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2118

Page 1, line 2, after "23.1-15-05" insert "23.1-15-06"

Page 1, line 3, after "relating to abandoned motor vehicles;" insert "and to create and enact a new section to Chapter 23.1-15 of the North Dakota Century Code, relating to emergency towing"

SECTION 8. AMENDMENT. Section 23.1-15-01 of the North Dakota Century Code is amended and reenacted as follows:

Page 2, line 16 after "abandoned motor vehicle" insert "or emergency towed motor vehicle"

SECTION 9. AMENDMENT. Section 23.1-15-06 of the North Dakota Century Code is amended and reenacted as follows:

~~5. This section also applies to emergency towing.~~

SECTION 10. AMENDMENT. A new section to chapter 23.1-15 of the North Dakota Century Code is created and enacted as follows:

Right to reclaim emergency towed motor vehicles.

1. The owner, secured parties, or a lienholder of an emergency towed motor vehicle has a right to reclaim such vehicle from the unit of government taking the motor vehicle into custody upon payment of all towing and storage charges resulting from taking the motor vehicle into custody.
2. The owner, secured parties, or a lienholder of an emergency towed motor vehicle, has a right to reclaim the motor vehicle from a commercial towing service taking the motor vehicle into custody upon payment of all towing and storage charges resulting from taking the motor vehicle into custody. A secured party has the right to reclaim an emergency towed motor vehicle from the commercial towing company with permission from the owner or upon receipt of the declarations page of the insurance policy covering the emergency towed motor vehicle. The commercial towing service shall not be liable for an unauthorized release of the emergency towed motor vehicle to a secured party.
3. Storage charges under subsection 2 may not exceed fifty dollars per day for an emergency towed motor vehicle that does not exceed ten thousand registered gross weight pounds [4535.92 kilograms].
4. Nothing in this chapter may be construed to impair any lien of a garagekeeper under the laws of this state or the right of a lienholder or secured parties to foreclose.

Renumber accordingly

23.8033.01000

Sixty-eighth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2118

Introduced by

Energy and Natural Resources Committee

(At the request of the Department of Environmental Quality)

1 A BILL for an Act to amend and reenact sections 23.1-15-01, 23.1-15-03, 23.1-15-04, ~~subsection~~
2 ~~1 of section~~ 23.1-15-05, subsection 1 of section 23.1-15-07, 23.1-15-08, and 23.1-15-09 of the
3 North Dakota Century Code, relating to abandoned motor vehicles; and to declare an
4 emergency.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Section 23.1-15-01 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **23.1-15-01. Definitions.**

9 For purposes of this chapter, unless the context otherwise requires:

- 10 1. "Abandoned motor vehicle" means a motor vehicle, as defined in section 39-01-01, that
- 11 has remained for a period of more than forty-eight hours on public property illegally or
- 12 lacking ~~vital component parts~~ that are essential to the mechanical functioning of the
- 13 vehicle, including the motor, drive train, or wheels, or is located on private property
- 14 without consent of the person in control of the property or in an inoperable condition such
- 15 that it has no substantial potential further use consistent with its usual functions, unless
- 16 it is kept in an enclosed garage or storage building. It also means a motor vehicle
- 17 voluntarily surrendered by its owner to a ~~person duly licensed under section 23.1-15-~~
- 18 ~~09~~ permitted scrap iron processor. An antique automobile, as defined in section 39-04-

- 1 10.4, and other motor vehicles to include parts car and special interest vehicles, may not
2 be considered an abandoned motor vehicle within the meaning of this chapter.
- 3 2. "Collector" means the owner of one or more special interest vehicles that collects,
4 purchases, acquires, trades, or disposes of special interest vehicles or parts of special
5 interest vehicles for the person's own use in order to restore, preserve, and maintain a
6 special interest vehicle or antique vehicle.
- 7 3. "Commercial towing service" means a registered business in North Dakota that tows
8 motor vehicles.
- 9 4. "Department" means the department of environmental quality.
- 10 5. "Emergency towing" means the towing of a vehicle due to a motor vehicle accident,
11 mechanical breakdown on public roadway, or other emergency-related incident
12 necessitating vehicle removal for public safety with or without the owner's consent.
- 13 6. "Parts car" means a motor vehicle generally in nonoperable condition which is owned by
14 the collector to furnish parts to restore, preserve, and maintain a special interest vehicle
15 or antique vehicle.
- 16 7. "Permitted scrap iron processor" means a scrap iron processor holding a valid permit
17 issued by the department under chapter 23.1-08.
- 18 ~~7-8.~~ "Scrap tire" means a tire that is no longer suitable for its original intended purpose
19 because of wear, damage, or defect.
- 20 9. "Secured party" means an insurer covering the abandoned motor vehicle under an
21 insurance policy.
- 22 ~~8-10.~~ "Special interest vehicle" means a motor vehicle that is at least twenty years old and has
23 not been altered or modified from original manufacturer's specifications and, because of
24 its historic interest, is being preserved by hobbyists.

1 10. "Submerged vehicle" means a motor vehicle or a recreational vehicle as defined in
2 section 39-01-01 or a trailer that is submerged in a body of water.

3 ~~8-11.~~ "Unit of government" includes a state department or agency, a county, city, township, or
4 other political subdivision.

5 ~~9.~~ "Vital component parts" means those parts of a motor vehicle that are essential to the
6 mechanical functioning of the vehicle, including, but not limited to, the motor, drive train,
7 and wheels.

8 **SECTION 2. AMENDMENT.** Section 23.1-15-03 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **23.1-15-03. Custody of abandoned motor vehicle.**

11 Units of government may take into custody and impound or request and authorize a
12 commercial towing service to take into custody an abandoned motor vehicle. If requested by an
13 owner, lessee, tenant, or occupant of private property, a commercial towing service may remove
14 and take into custody an abandoned motor vehicle located on the private property.

15 **SECTION 3. AMENDMENT.** Section 23.1-15-04 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **23.1-15-04. Conditions under which an abandoned motor vehicle may be sold**
18 **immediately is eligible for immediate disposal.**

19 ~~When an~~ An abandoned motor vehicle whose value as determined by the party with custody
20 is no more than seven model years of age, is lacking vital component parts, and does not display
21 a license plate currently valid in North Dakota or any other state or foreign country, it one thousand
22 dollars and whose owner, lienholders, or secured parties cannot be identified with reasonable
23 certainty after a search of the department of transportation records is immediately eligible for
24 disposition ~~and must be disposed of to~~ by a permitted scrap iron processor ~~licensed under section~~
25 ~~23.1-15-09~~, and is not subject to the notification, reclamation, or title provisions of this chapter.

1 Any license plate displayed on an abandoned motor vehicle must be removed and destroyed prior
2 to the purchaser taking possession of the vehicle. An abandoned motor vehicle qualifying for
3 immediate disposal is not eligible for reimbursement of storage costs under section 23.1-15-09.

4 **SECTION 4. AMENDMENT.** ~~Subsection 1 of~~Section 23.1-15-05 of the North Dakota Century
5 Code is amended and reenacted as follows:

6 1. When an abandoned motor vehicle does not fall within the provisions of section 23.1-15-
7 04, the unit of government or commercial towing service taking it into custody shall give
8 notice of the taking within ten days or within ten days after communications from the
9 owner, lienholder, or secured parties of the abandoned motor vehicle have ceased. The
10 notice must set forth the date and place of the taking, the year, make, model, and serial
11 number of the abandoned motor vehicle, and the place where the vehicle is being held,
12 must inform the owner and any lienholders or secured parties of their right to reclaim the
13 vehicle under section 23.1-15-06, must state that failure of the owner, lienholders, or
14 secured parties to exercise their right to reclaim the vehicle within thirty days is deemed
15 a waiver by the owner, lienholders, or secured parties of all right, title, and interest in the
16 vehicle and a consent to the disposal of the vehicle pursuant to section 23.1-15-07, and
17 must state the end date of the thirty-day period during which the owner may reclaim the
18 abandoned motor vehicle.

19 2. The notice must be sent by certified mail, return receipt requested, to the registered
20 owner, if any, of the abandoned motor vehicle and to all readily identifiable lienholders or
21 secure parties of record. If it is impossible to determine with reasonable certainty the
22 identity and address of the registered owner and all lienholders, the notice must be
23 published once in a newspaper of general circulation in the area where the motor vehicle
24 was abandoned or placed on the official website for the unit of government that initiated
25 the impound process from public property. When posted on a website, the notice must

1 be placed in a designated area on the official website for a minimum of thirty days and
2 must include the information in subsection 1. Published notices may be grouped together
3 for convenience and economy. Failure of the owner, lienholders, or secured parties to
4 exercised the right to reclaim the abandoned motor vehicle by the end of the public notice
5 period is deemed a waiver by the owner, lienholders, or secured parties of all right, title,
6 and interests in the vehicle and consent to the disposal of the vehicle pursuant to section
7 23.1-15-07.

8 3. Subject to section 23.1-15-04, a commercial towing services that takes an abandoned
9 motor vehicle into custody shall provide notice to the law enforcement agency having
10 jurisdiction in the location from which the motor vehicle was towed within twelve hours after
11 completing the tow.

12 4. Notice under subsection 3 must include:

13 a. The license plate number and state of registration;

14 b. The location from which the abandoned motor vehicle was towed;

15 c. The location to which the abandoned motor vehicle was towed;

16 d. The name, address, and telephone number of the commercial towing service that
17 towed and is storing the abandoned motor vehicle; and

18 e. A description of the abandoned motor vehicle, including make, model, year, and
19 color.

20 5. A commercial towing service that violates subsection 3 may not collect a storage fee
21 under section 23.1-15-06 and shall return the motor vehicle to the registered owner at
22 no cost to the owner, lienholder, or secured party.

23 ~~6. This section also applies to emergency towing.~~

24 **SECTION 5. AMENDMENT.** Subsection 1 of section 23.1-15-07 of the North Dakota Century
25 Code is amended and reenacted as follows:

- 1 1. ~~An~~For any abandoned motor vehicle ~~not~~valued at more than ~~seven model years of~~
2 ~~age~~one thousand dollars taken into custody by a unit of government and not reclaimed
3 under section 23.1-15-06 ~~must be sold to the highest bidder at public auction or sale,~~
4 ~~following reasonable published notice. The purchaser must be given a receipt in a form~~
5 ~~prescribed by the department of transportation which is sufficient title to dispose of the~~
6 ~~vehicle. The receipt also entitles the purchaser to register the vehicle and receive a~~
7 ~~certificate of title, free and clear of all liens and claims of ownership. The,~~the license
8 plates displayed on ~~a~~an ~~the~~ abandoned motor vehicle must be removed and destroyed
9 prior to the purchaser taking possession of the vehicle ~~and thereafter the unit of~~
10 government may:
- 11 a. Sell the abandoned motor vehicle to the highest bidder at public auction or sale,
12 following reasonable published notice. The purchaser must be given a receipt in a
13 form prescribed by the department of transportation which entitles the purchaser to
14 register the vehicle and receive a certificate of title, free and clear of all liens and
15 claims of ownership; or
- 16 b. Obtain a release from the department of transportation which is sufficient title to
17 dispose of the vehicle by a permitted scrap iron processor.

18 **SECTION 6. AMENDMENT.** Section 23.1-15-08 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 **23.1-15-08. Disposal of abandoned motor vehicles not sold.**

21 When no bid has been received for an abandoned motor vehicle, the unit of government or a
22 commercial towing service that is a ~~licensed~~permitted scrap iron processor may dispose of ~~it~~the
23 abandoned motor vehicle pursuant to ~~contract under~~ section 23.1-15-09.

24 **SECTION 7. AMENDMENT.** Section 23.1-15-09 of the North Dakota Century Code is
25 amended and reenacted as follows:

1 **23.1-15-09. ~~Contracts for disposal~~Disposal services - Issuance of licenses~~permits~~ by**
2 **~~department of environmental quality~~ - Reimbursement of units of government and**
3 **commercial towing services for costs.**

4 1. The department may issue a permit to any qualified scrap iron processor desiring to
5 provide its services under this section if the scrap iron processor meets the requirements
6 of this chapter and chapter 23.1-08.

7 ~~4-2.~~ A unit of government may ~~contract with~~use the services of any qualified licensed~~permitted~~
8 scrap iron processor for collection, storage, incineration, volume reduction,
9 transportation, or other services necessary to prepare abandoned motor vehicles, scrap
10 tires, and ~~other~~ scrap metal for recycling or other methods of disposal. ~~The contract~~A unit
11 of government may authorize ~~the contracting a~~ permitted scrap iron processor to pay to
12 the owner of any abandoned motor vehicle an incentive payment for the abandoned
13 motor vehicle if it is voluntarily surrendered and delivered to the permitted scrap iron
14 processor. A unit of government may authorize a permitted scrap iron processor to
15 provide an incentive payment for scrap tires delivered to the permitted scrap iron
16 processor. For purposes of this section, an owner of an abandoned motor vehicle
17 ~~includes only~~is the person that ~~has~~ owned and operated the vehicle for the person's
18 personal or business use.

19 ~~2.~~ ~~The department may issue a license to any qualified scrap iron processor desiring to~~
20 ~~participate in a contract under this section which meets the requirements for solid waste~~
21 ~~disposers established by the department.~~

22 3. ~~Before~~If a unit of government enters a contract with uses the services of a permitted scrap
23 iron processor ~~duly licensed by the department,~~ the department may review the contract
24 ~~to determine whether it conforms to the department's plan for solid waste disposal. A~~
25 ~~contract that does conform may be approved by the department. When a contract has~~

1 ~~been approved, the department may reimburse the unit of government for the costs~~
2 ~~incurred under the contract, including incentive payments authorized and made under the~~
3 ~~contract, subject to the limitations of legislative appropriations.~~

4 4. ~~Before a commercial towing service that is a scrap iron processor duly licensed by the~~
5 ~~department enters a contract with the department, the department may review the~~
6 ~~contract to determine whether it conforms to the department's plan for solid waste~~
7 ~~disposal. A contract that does conform may be approved by the department. When a~~
8 ~~contract has been approved, the~~The department may reimburse the~~a commercial towing~~
9 ~~service for the costs incurred under the contract~~that is a permitted scrap iron processor
10 in an amount determined by the department for towing and, up to thirty days of storage
11 ~~charges resulting from taking an abandoned motor vehicle into custody, and disposal of~~
12 an abandoned motor vehicle if the owner, lienholders, or secured parties of the
13 abandoned motor vehicle cannot be identified with reasonable certainty after a search of
14 the department of transportation records and publication as defined in subsection 2 of
15 section 23.1-15-05 subject to the limitations of legislative appropriations.

16 5. The department may remove any submerged vehicle:
17 a. Immediately if the owner, lienholders, or secured parties cannot be identified. The
18 department may use a commercial towing service that is a permitted scrap iron
19 processor to extract, tow, and dispose of a submerged vehicle.
20 b. Upon the owner's stated refusal to remove the submerged vehicle or after thirty days
21 from the submerged vehicle entering the water or being discovered in the water if
22 the owner, lienholders, or secured parties are identified after a search of the
23 department of transportation records. The department may use a commercial towing
24 service that is a permitted scrap iron processor for extracting, towing, and disposal

1 of a submerged vehicle. The department may seek reimbursement from the owner
2 for any costs related to extracting, towing, and disposal of the submerged vehicle.

3 5-6. The department may demand that a unit of government or a commercial towing service
4 that is a ~~licensed~~permitted scrap iron processor ~~contract for the disposal~~dispose of
5 abandoned motor vehicles, scrap tires, and ~~other~~ scrap metal under the department's
6 plan for solid waste disposal. ~~When~~If the unit of government or the commercial towing
7 service fails to ~~contract~~dispose of the abandoned motor vehicles, scrap tires, or scrap
8 metal within one hundred eighty days of the demand, the department, on behalf of the
9 unit of government or the commercial towing service, may ~~contract with~~use the services
10 of any permitted scrap iron processor ~~duly licensed by the department~~ for such disposal.

11 7. A reimbursement request must be made on a form available from the department and is
12 subject to the limitations of legislative appropriations and the department's discretion.

13 **SECTION 8. EMERGENCY.** This Act is declared to be an emergency measure.

23.8033.01001
Title.02000

Adopted by the Senate Energy and Natural
Resources Committee
January 19, 2023

PROPOSED AMENDMENTS TO SENATE BILL NO. 2118

Page 1, line 1, remove the second "and"

Page 1 line 1, after the third comma insert "and"

page 1, line 2, remove "subsection 1 of section"

Page 2, after line 15, insert:

"9. "Secured party" means an insurer covering the abandoned motor vehicle under an insurance policy."

Page 2, line 16, replace "9." with "10."

Page 2, line 19, replace "10." with "11."

Page 2, line 21, replace "11." with "12."

Page 3, remove lines 18 through 30

Page 4, replace lines 1 and 2 with:

"SECTION 4. AMENDMENT. Section 23.1-15-05 of the North Dakota Century Code is amended and reenacted as follows:

23.1-15-05. Notice to owner and law enforcement of abandoned motor vehicle.

1. When an abandoned motor vehicle does not fall within the provisions of section 23.1-15-04, the unit of government or commercial towing service taking it into custody shall give notice of the taking within ten days or within ten days after communications from the owner, lienholder, or secured parties of the abandoned motor vehicle have ceased. The notice must set forth the date and place of the taking, the year, make, model, and serial number of the abandoned motor vehicle, and the place where the vehicle is being held, must inform the owner and any lienholders or secured parties of their right to reclaim the vehicle under section 23.1-15-06, must state that failure of the owner, lienholders, or secured parties to exercise their right to reclaim the vehicle within thirty days is deemed a waiver by the owner, lienholders, or secured parties of all right, title, and interest in the vehicle and a consent to the disposal of the vehicle pursuant to section 23.1-15-07, and must state the end date of the thirty-day period during which the owner may reclaim the abandoned motor vehicle.
2. The notice must be sent by certified mail, return receipt requested, to the registered owner, if any, of the abandoned motor vehicle and to all readily identifiable lienholders or secured parties of record. If it is impossible to determine with reasonable certainty the identity and address of the registered owner and all lienholders, the notice must be published once in a newspaper of general circulation in the area where the motor vehicle was abandoned or placed on the official website for the unit of government that initiated the impound process from public property. When posted on a

website, the notice must be placed in a designated area on the official website for a minimum of thirty days and must include the information in subsection 1. Published notices may be grouped together for convenience and economy. Failure of the owner, lienholders, or secured parties to exercise the right to reclaim the abandoned motor vehicle by the end of the public notice period is deemed a waiver by the owner, lienholders, or secured parties of all right, title, and interests in the vehicle and a consent to the disposal of the vehicle pursuant to section 23.1-15-07.

3. Subject to section 23.1-15-04, a commercial towing service that takes an abandoned motor vehicle into custody shall provide notice to the law enforcement agency having jurisdiction in the location from which the motor vehicle was towed within twelve hours after completing the tow.
4. Notice under subsection 3 must include:
 - a. The license plate number and state of registration;
 - b. The location from which the abandoned motor vehicle was towed;
 - c. The location to which the abandoned motor vehicle was towed;
 - d. The name, address, and telephone number of the commercial towing service that towed and is storing the abandoned motor vehicle; and
 - e. A description of the abandoned motor vehicle, including make, model, year, and color.
5. A commercial towing service that violates subsection 3 may not collect a storage fee under section 23.1-15-06 and shall return the motor vehicle to the registered owner at no cost to the owner, lienholder, or secured party.
6. This section also applies to emergency towing."

Renumber accordingly

23.8033.01002
Title.03000

Adopted by the Senate Energy and Natural
Resources Committee
February 16, 2023

PROPOSED AMENDMENTS TO SENATE BILL NO. 2118

Page 1, line 1, remove the second "and"

Page 1, line 2, replace "subsection 1 of section" with "and"

Page 2, after line 15, insert:

"9. "Secured party" means an insurer covering the abandoned motor vehicle under an insurance policy."

Page 2, line 16, replace "9." with "10."

Page 2, line 19, replace "10." with "11."

Page 2, line 21, replace "11." with "12."

Page 3, remove lines 18 through 30

Page 4, replace lines 1 and 2 with:

"SECTION 4. AMENDMENT. Section 23.1-15-05 of the North Dakota Century Code is amended and reenacted as follows:

23.1-15-05. Notice to owner and law enforcement of abandoned vehicle.

1. When an abandoned motor vehicle does not fall within the provisions of section 23.1-15-04, the unit of government or commercial towing service taking it into custody shall give notice of the taking within ten days or within ten days after communications from the owner, lienholder, or secured parties of the abandoned motor vehicle have ceased. The notice must set forth the date and place of the taking, the year, make, model, and serial number of the abandoned motor vehicle, and the place where the vehicle is being held, must inform the owner and any lienholders or secured parties of their right to reclaim the vehicle under section 23.1-15-06, must state that failure of the owner, lienholders, or secured parties to exercise their right to reclaim the vehicle within thirty days is deemed a waiver by the owner, lienholders, or secured parties of all right, title, and interest in the vehicle and a consent to the disposal of the vehicle pursuant to section 23.1-15-07, and must state the end date of the thirty-day period during which the owner may reclaim the abandoned motor vehicle.
2. The notice must be sent by certified mail, return receipt requested, to the registered owner, if any, of the abandoned motor vehicle and to all readily identifiable lienholders or secured parties of record. If it is impossible to determine with reasonable certainty the identity and address of the registered owner and all lienholders, the notice must be published once in a newspaper of general circulation in the area where the motor vehicle was abandoned or placed on the official website for the unit of government that initiated the impound process from public property. When posted on a website, the notice must be placed in a designated area on the official website for a minimum of thirty days and must include the information in

subsection 1. Published notices may be grouped together for convenience and economy. Failure of the owner, lienholders, or secured parties to exercise the right to reclaim the abandoned motor vehicle by the end of the public notice period is deemed a waiver by the owner, lienholders, or secured parties of all right, title, and interests in the vehicle and a consent to the disposal of the vehicle pursuant to section 23.1-15-07.

3. Subject to section 23.1-15-04, a commercial towing service that takes an abandoned motor vehicle into custody shall provide notice to the law enforcement agency having jurisdiction in the location from which the motor vehicle was towed within twelve hours after completing the tow.
4. Notice under subsection 3 must include:
 - a. The license plate number and state of registration;
 - b. The location from which the abandoned motor vehicle was towed;
 - c. The location to which the abandoned motor vehicle was towed;
 - d. The name, address, and telephone number of the commercial towing service that towed and is storing the abandoned motor vehicle; and
 - e. A description of the abandoned motor vehicle, including make, model, year, and color.
5. A commercial towing service that violates subsection 3 may not collect a storage fee under section 23.1-15-06 and shall return the motor vehicle to the registered owner at no cost to the owner, lienholder, or identifiable secured party."

Renumber accordingly

23.8033.01002
Title.03000

Adopted by the Senate Energy and Natural
Resources Committee
February 16, 2023

PROPOSED AMENDMENTS TO SENATE BILL NO. 2118

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Renumber accordingly