

A BILL FOR AN ACT

To amend 9 CMC § 2103 to require execution of a Notice of Transfer and Release of Liability by the appropriate parties upon the ownership transfer of a vehicle.

**BE IT ENACTED BY THE TWENTY-FOURTH
NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:**

1 **Section 1. Findings and Purpose.**

2 The Legislature acknowledges that 9 CMC § 1205 provides that the Director of
3 the Bureau of Motor Vehicles (BMV) shall develop and provide suitable forms of
4 applications, certificates of title, registration cards, operators' licenses, and all other
5 required and necessary forms. The Legislature finds that in most States it is necessary to
6 execute a Notice of Transfer and Release of Liability between the parties that lets the
7 Department of Motor Vehicle know that the former vehicle owner is no longer
8 responsible for parking/traffic violations or civil or criminal liability associated with the
9 vehicle after the date of the sale.

10 The Legislature finds that releasing the liability of the former owner of a vehicle
11 upon the sale of the vehicle is necessary. Therefore, the purpose of this
12 Act is to require the execution of a Notice and Release of Liability upon the transfer of a
13 vehicle.

14 **Section 2. Amendment.** 9 CMC § 2103 is amended to read:

15 “§ 2103. Registration: Transfer of Vehicle.

16 (a) An owner upon transferring a registered vehicle or bicycle shall endorse the
17 name and address of the transferee and the date of transfer upon the reverse side of the
18 registration card issued for the vehicle or bicycle and immediately forward the card to the

1 bureau. ~~The transferee, before operating or permitting the operation of the vehicle or~~
2 ~~bicycle upon a highway, shall apply and obtain the registration thereof as upon an~~
3 ~~original registration. In the event of a transfer by inheritance, devise, bequest, execution,~~
4 ~~sale or repossession upon default of performance of an agreement of sale of a registered~~
5 ~~vehicle or bicycle, the registration shall expire and the vehicle or bicycle may not be~~
6 ~~operated upon the highways until and unless the person entitled to it applies for and~~
7 ~~obtains the registration thereof. At the same time, the owner (transferor) and the new~~
8 ~~owner (transferee) shall sign a Notice of Transfer and Release of Liability (NTRL). The~~
9 Director shall develop the NTRL and make it readily available.

10 (b) An owner upon transferring a registered motor vehicle, shall state on the form
11 provided by the bureau:

12 "I certify that I am the legal owner entitled to transfer ownership of this vehicle
13 and that its odometer reading is _____ miles and, to the best of my knowledge, reflects
14 the actual mileage of the vehicle described herein, unless one of the following statements
15 is checked.

16 (1) The amount of mileage stated is in excess of 99,999 miles.

17 (2) The mileage stated is not the actual mileage.

18 (3) The vehicle is a truck with a gross vehicle weight rating of 16,000
19 pounds or more."

20 (c) The transferee, before operating or permitting the operation of the vehicle or
21 bicycle upon a highway, shall apply and obtain the registration thereof as upon an
22 original registration. In the event of a transfer by inheritance, devise, bequest, execution,
23 sale or repossession upon default of performance of an agreement of sale of a registered
24 vehicle or bicycle, the registration shall expire and the vehicle or bicycle may not be
25 operated upon the highways until and unless the person entitled to it applies for and
26 obtains the registration thereof.

27 (e d) Notwithstanding any provision of the Uniform Commercial Code (title 5 of
28 this code [5 CMC § 1101 et seq.]), until the chief has issued the new registration card,
29 delivery of the vehicle shall be deemed not to have been made, title to it shall be deemed

1 not to have passed, and the intended transfer shall be deemed not to be valid or effective
2 for any purpose.

3 (d e) A security interest in a motor vehicle required to be registered under this title
4 may be perfected only by registration of the security interest by notation upon the
5 certificate of title of the motor vehicle. The validity, attachment, priority, and
6 enforcement of the perfected security interest shall be governed by article 9 of title 5 of
7 this code (the Uniform Commercial Code) [5 CMC § 9101 et seq.]”


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

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


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

Date: 2/11/25

Introduced By: _____


Senator Francisco Q. Cruz

Reviewed for Legal Sufficiency by:


Senate Legal Counsel