

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 162

Short Title: Dealer Plate/License Changes.

(Public)

Sponsors: Senators Kerr, Plexico, Seymour, and Winner of Buncombe; Cooper, Lee, Gunter, Gulley, Martin of Guilford, and Forrester.

Referred to: Transportation.

February 15, 1993

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE REQUIREMENTS FOR LICENSURE AS A MOTOR VEHICLE WHOLESALER OR DEALER, TO LIMIT THE NUMBER OF MOTOR VEHICLE DEALER LICENSE PLATES THAT CAN BE ISSUED TO THE SAME DEALER, TO EXPAND THE USE OF TRANSPORTER PLATES, AND TO CHANGE THE FEE FOR TRANSPORTER PLATES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 20-286(5a) and (6) read as rewritten:

"(5a) Established office. – An office that meets the following requirements:

- a. Contains at least ~~96~~250 square feet of floor space in a permanent enclosed ~~building~~building that is not a residence.
- b. Is a place where the books, records, and files required by the Division under this Article are kept.
- c. Is contiguous to an enclosed or open area that is owned or leased by the person who operates the office and that is large enough for the display of at least 10 motor vehicles.

(6) Established salesroom. – A salesroom that meets the following requirements:

- a. Contains at least ~~96~~250 square feet of floor space in a permanent enclosed ~~building~~building that is not a residence.
- b. Displays, or is located immediately adjacent to, a sign having block letters not less than ~~three~~six inches in height on

1 contrasting background, clearly and distinctly designating the  
2 trade name of the business.

3 c. Is a place at ~~which~~ where a permanent business of bartering,  
4 trading, and selling motor vehicles will be carried on in good  
5 faith on an ongoing basis whereby the dealer can be contacted  
6 by the public at reasonable times.

7 d. Is a place where the books, records, and files required by the  
8 Division under this Article are kept.

9 e. Is a place where at least 10 motor vehicles can be displayed.

10 The term includes the area contiguous to or located within 500 feet of  
11 the premises on which the salesroom is located. The term does not  
12 include a tent, a temporary stand, or other temporary quarters. The  
13 ~~minimum area requirement does not apply to any place of business lawfully~~  
14 ~~in existence and duly licensed on or before January 1, 1978."~~

15 Sec. 2. G.S. 20-295 reads as rewritten:

16 "**§ 20-295. Time to act upon applications; refusal of license; notice; hearing. Action**  
17 **on application.**

18 The Division shall ~~act upon all applications either grant or deny an application for a~~  
19 ~~license within 30 days after receipt thereof, by either granting or refusing the same.~~  
20 ~~receiving it.~~ Any applicant denied a license shall, upon ~~his filing a~~ written request filed  
21 within 30 days, be given a hearing at ~~such the~~ time and place as ~~determined by the~~  
22 ~~Commissioner, or person designated by him. All such hearings~~ Commissioner or a person  
23 designated by the Commissioner. A hearing shall be public and shall be held with  
24 reasonable promptness. Any applicant denied a license for failure to comply with the  
25 definition of an established place of business, as defined in this Article, may not, nor shall  
26 anyone else apply for a license for such premises, for which a license was denied, until the  
27 expiration of 60 days from the date of the rejection of such application."

28 Sec. 3. G.S. 20-79 reads as rewritten:

29 "**§ 20-79. Registration by manufacturers and dealers. Dealer license plates.**

30 (a) How To Get A Dealer Plate. – Every manufacturer of or dealer in motor  
31 ~~vehicles, trailers or semitrailers shall apply to the Motor Vehicle Division for a license~~  
32 ~~as such upon official forms and shall in his application give the name of the~~  
33 ~~manufacturer or dealer and his bona fide address of each partner; if a corporation, the~~  
34 ~~name of the corporation and the state of incorporation; the bona fide address of the~~  
35 ~~place of business; whether a dealer in new vehicles or in used vehicles and shall state~~  
36 ~~how long in business. Upon receipt of said application the Division shall upon the~~  
37 ~~payment of fees as required by law issue a license to such applicant, together with~~  
38 ~~number plates, which plates shall bear thereon a distinctive number, the name of this~~  
39 ~~State, which may be abbreviated, the year for which issued, together with the word~~  
40 ~~dealer or a distinguishing symbol indicating that such plate or plates are issued to a~~  
41 ~~dealer. The plates so issued may during the year for which issued be transferred from~~  
42 ~~one vehicle to another owned and operated by such manufacturer or dealer.~~

1 Dealer and manufacturer plates shall after June 30, 1980, be issued on a fiscal year  
2 basis beginning July 1, and plates issued for fiscal year beginning July 1 shall expire on  
3 June 30 following the date of issuance.

4 Any person to whom license and number plates are issued under the provisions of  
5 this subsection upon discontinuing business as a dealer or manufacturer shall forthwith  
6 surrender to the Division license and all number plates so issued to him.

7 No person, firm, or corporation shall engage in the business of buying, selling,  
8 distributing or exchanging motor vehicles, trailers or semitrailers in this State unless he  
9 or it qualifies for and obtains the license required by this section.

10 Any person, firm, or corporation violating any provision of this subsection shall be  
11 guilty of a misdemeanor and for each offense shall be fined not less than one hundred  
12 dollars (\$100.00) nor more than one thousand dollars (\$1,000) and may be imprisoned  
13 for not more than 60 days, or both such fine and imprisonment.

14 A dealer licensed under Article 12 of this Chapter may obtain a dealer license plate  
15 by filing an application with the Division and paying the required fee. An application  
16 must be filed on a form provided by the Division. The required fee is the amount set by  
17 G.S. 20-87(7).

18 (b) Number of Plates. ~~Every manufacturer of or dealer in motor vehicles shall~~  
19 ~~obtain and have in his possession a certificate of title issued by the Division to such~~  
20 ~~manufacturer or dealer of each vehicle owned and operated upon the highways by such~~  
21 ~~manufacturer or dealer, except that a certificate of title shall not be required or issued~~  
22 ~~for any new vehicle to be sold as such by a manufacturer or dealer prior to the sale of~~  
23 ~~such vehicle by the manufacturer or dealer; and except that any dealer or any employee~~  
24 ~~of any dealer may operate any motor vehicle, trailer or semitrailer, the property of the~~  
25 ~~dealer, for the purpose of furthering the business interest of the dealer in the sale,~~  
26 ~~demonstration and servicing of motor vehicles, trailers and semitrailers, of collecting~~  
27 ~~accounts, contacting prospective customers and generally carrying out routine business~~  
28 ~~necessary for conducting a general motor vehicle sales business: Provided, that no use~~  
29 ~~shall be made of dealer's demonstration plates on vehicles operated in any other~~  
30 ~~business dealers may be engaged in: Provided further, that dealers may allow the~~  
31 ~~operation of motor vehicles owned by dealers and displaying dealer's demonstration~~  
32 ~~plates in the personal use of persons other than those employed in the dealer's business:~~  
33 ~~Provided further, that said persons shall, at all times while operating a motor vehicle~~  
34 ~~under the provisions of this section, have in their possession a certificate on such form~~  
35 ~~as approved by the Commissioner from the dealer, which shall be valid for not more~~  
36 ~~than 96 hours. This certificate may be renewed for one additional 96-hour period,~~  
37 ~~pursuant to rules and regulations promulgated by the Commissioner.~~ A dealer who was  
38 licensed under Article 12 of this Chapter for the previous 12-month period ending April  
39 30 may obtain the number of dealer license plates allowed by the following table; the  
40 number allowed is based on the number of motor vehicles the dealer sold during the  
41 relevant 12-month period and the average number of qualifying sales representatives the  
42 dealer employed during that same 12-month period:  
43

<u>12-Month Period</u>	<u>Vehicles Sold In Relevant Plates</u>	<u>Maximum Number of</u>
<u>Fewer than 5</u>	<u>None</u>	
<u>At least 5 but less than 10</u>		<u>1</u>
<u>At least 10 but less than 25</u>		<u>2</u>
<u>At least 25 but less than 50</u>		<u>4</u>
<u>50 or more</u>		<u>At least 4, but no more than 4 times the average number of qualifying sales representatives employed by the dealer during the relevant 12- month period.</u>

13 A dealer who was not licensed under Article 12 of this Chapter for part or all of the  
 14 previous 12-month period ending April 30 may obtain the number of dealer license  
 15 plates that equals four times the number of qualifying sales representatives employed by  
 16 the dealer on the date the dealer files the application. A 'qualifying sales representative'  
 17 is a sales representative who works for the dealer at least 25 hours a week on a regular  
 18 basis and is compensated by the dealer for this work.

19 A dealer who sold fewer than 50 motor vehicles the previous 12-month period  
 20 ending April 30 but has sold at least 50 motor vehicles since May 1 may apply for  
 21 additional dealer license plates at any time. The maximum number of dealer license  
 22 plates the dealer may obtain is the number the dealer could have obtained if the dealer  
 23 had sold at least 50 motor vehicles in the previous 12-month period ending April 30.

24 A dealer who applies for a dealer license plate must certify to the Division the  
 25 number of motor vehicles the dealer sold in the relevant period. Making a false  
 26 certification is a misdemeanor and is grounds for denial, suspension, or revocation of a  
 27 dealer's license under G.S. 20-294.

28 ~~(c) Form and Duration. —No manufacturer of or dealer in motor vehicles, trailers~~  
 29 ~~or semitrailers shall cause or permit any such vehicle owned by such person to be~~  
 30 ~~operated or moved upon a public highway without there being displayed upon such~~  
 31 ~~vehicle a number plate or plates issued to such person, either under G.S. 20-63 or under~~  
 32 ~~this section.—A dealer license plate is subject to G.S. 20-63, except for the requirement~~  
 33 ~~that the plate display the registration number of a motor vehicle and the requirement that~~  
 34 ~~the plate be a 'First in Flight' plate. In addition, a dealer license plate must have a~~  
 35 ~~distinguishing symbol identifying the plate as a dealer license plate.~~

36 A dealer license plate is issued for a fiscal year beginning July 1 and ending June 30.  
 37 During the fiscal year for which it is issued, a dealer may transfer a dealer license plate  
 38 from one vehicle to another. When a dealer surrenders the license issued under Article  
 39 12 of this Chapter or the Division revokes the dealer's license, the dealer must surrender  
 40 to the Division all dealer license plates issued to the dealer.

41 ~~(d) Restrictions on Use. —Dealer's license plates may be used on motor vehicles~~  
 42 ~~owned by, or assigned to, duly licensed motor vehicle dealers of this State when~~  
 43 ~~operated on the highways of this State by the dealer, corporate officers of the dealership,~~  
 44 ~~salespersons or full-time employees of the dealership, and any designated part-time~~

1 ~~employees of the dealership; provided, the vehicle is subject to the proof of financial~~  
 2 ~~responsibility requirements of Article 9A of this Chapter. A dealership owner who~~  
 3 ~~desires to use dealer's license plates as herein provided shall make application on a form~~  
 4 ~~provided by the Division of Motor Vehicles and pay the annual amount set in G.S. 20-~~  
 5 ~~87(7).—A dealer license plate may be displayed only on a motor vehicle that meets all~~  
 6 ~~of the following requirements:~~

7       (1) Is in the inventory of a dealer.

8       (2) Is covered by liability insurance that meets the requirements of Article  
 9 9A of this Chapter.

10       (3) Is not used by the dealer in another business in which the dealer is  
 11 engaged.

12       (4) Is driven on a highway by a person who is an officer of the dealer, an  
 13 employee of the dealer, or a person to whom the dealer has issued a  
 14 demonstration permit and who carries the following while driving the  
 15 motor vehicle:

16       a. The manufacturer's certificate of origin for the motor vehicle, if  
 17 it is new.

18       b. The certificate of title for the motor vehicle, if it is not new.

19       c. Any demonstration permit issued to the driver of the motor  
 20 vehicle.

21 A dealer may issue a demonstration permit for a motor vehicle to a person licensed  
 22 to drive that type of motor vehicle. A demonstration permit authorizes the person  
 23 named in the permit to drive the motor vehicle described in the permit for a period of 96  
 24 hours after the time the permit is issued. A dealer may, for good cause, renew a  
 25 demonstration permit for one additional 96-hour period.

26 A dealer may not lend, rent, lease, or otherwise place a dealer license plate at the  
 27 disposal of a person except as authorized by this section. Violation of any of the  
 28 restrictions on the use of dealer license plates is a misdemeanor and is grounds for  
 29 denial, suspension, or revocation of a dealer's license under G.S. 20-294.

30 (e) Transfer of Dealer Registration. – No change in the name of a firm,  
 31 partnership or corporation, nor the taking in of a new partner, nor the withdrawal of one  
 32 or more of the firm, shall be considered a new business; but if any one or more of the  
 33 partners remain in the firm, or if there is change in ownership of less than a majority of  
 34 the stock, if a corporation, the business shall be regarded as continuing and the dealers'  
 35 plates originally issued may continue to be used."

36       Sec. 4. G.S. 20-288(a) reads as rewritten:

37       "(a) Application for a license shall be made to the Division at such time, in such  
 38 form, and contain such information as the Division shall require, and shall be  
 39 accompanied by the required fee. A person may obtain a license by filing an application  
 40 with the Division. An application must be on a form provided by the Division and  
 41 contain the information required by the Division. An application for a license must be  
 42 accompanied by the required fee and by an application for a dealer license plate."

43       Sec. 5. G.S. 20-79.2 reads as rewritten:

44 **"§ 20-79.2. Transporter ~~registration.~~ plates.**

1 (a) Who Can Get A Plate. – A person engaged in a business requiring the limited  
2 operation of a motor vehicles to vehicle for any of the following purposes may obtain a  
3 transporter plate authorizing the movement of the vehicle for the specific purpose:

- 4 (1) To facilitate the manufacture, construction, rebuilding, or delivery of a  
5 new or used truck cabs or bodies motor vehicle between manufacturer,  
6 dealer, seller, or purchaser, or the purchaser.  
7 (2) To foreclosure or repossession of repossess a motor vehicles, or the  
8 vehicle.  
9 (3) To pickup and delivery of pick up or deliver a motor vehicles vehicle to  
10 be prepared for sale by dealers, or a dealer.  
11 (4) To move a motor vehicle that is owned by a public utility, as defined  
12 in G.S. 62-3(23)a, engaged in the movement of replaced vehicles for  
13 sale, may apply to the Commissioner for special registration to be  
14 issued to and used by the person or utility upon the following  
15 conditions: and is a replaced vehicle offered for sale.  
16 (5) To take a motor vehicle either to or from a motor vehicle auction  
17 where the vehicle will be or was offered for sale.  
18 (6) To road test a repaired truck whose GVWR is at least 15,000 pounds  
19 when the test is performed within a 10-mile radius of the place where  
20 the truck was repaired and the truck is owned by a person who has a  
21 fleet of at least five trucks whose GVWRs are at least 15,000 pounds  
22 and who maintains the place where the truck was repaired.  
23 (7) To move a mobile office, a mobile classroom, or a manufactured home  
24 when the Utilities Commission has authorized the move.

25 (b) How To Get A Plate. – A person may obtain a transporter plate by filing an  
26 application with the Division and paying the required fee. An application must be on a  
27 form provided by the Division and contain the information required by the Division.  
28 The fee for a transporter plate is the same as the fee set in G.S. 20-87(7) for a dealer  
29 license plate.

30 (1) Application for Registration. Only one application shall be required from  
31 each person, and such application for registration under this section shall be filed with  
32 the Commissioner of Motor Vehicles in such form and detail as the Commissioner shall  
33 prescribe, setting forth:

- 34 a. The name and residence address of the applicant; if an  
35 individual, the name under which he intends to conduct  
36 business; if a partnership, the name and residence address of  
37 each member thereof, and the name under which the business is  
38 to be conducted; if a corporation, the name of the corporation  
39 and the name and residence address of each of its officers.  
40 b. The complete address or addresses of the place or places where  
41 the business is to be conducted.  
42 e. Such further information as the Commissioner may require.  
43 (2) Applications for registration under this section shall be verified by the  
44 applicant, and the Commissioner may require the applicant for

1 registration to appear at such time and place as may be designated by  
2 the Commissioner for examination to enable him to determine the  
3 accuracy of the facts set forth in the written application, either for  
4 initial registration or renewal thereof.

5 (3) Fees.— The annual fee for such registration under this section or  
6 renewal thereof shall be nineteen dollars (\$19.00), plus an annual fee  
7 of six dollars (\$6.00) for each set of plates. The application for  
8 registration and number plates shall be accompanied by the required  
9 annual fee. There shall be no refund of registration fee or fees for  
10 number plates in the event of suspension, revocation or voluntary  
11 cancellation of registration. There shall be no quarterly reduction in  
12 fees under this section.

13 (4) Issuance of Certificate.— If the Commissioner approves the  
14 application, he shall issue a registration certificate in such form as he  
15 may prescribe. A registrant shall notify the Commissioner of any  
16 change of address of his principal place of business within 30 days  
17 after such change is made, and the Commissioner shall be authorized  
18 to cancel the registration upon failure to give such notice.

19 (5) Use.— Transporter number plates issued under this section may be  
20 transferred from vehicle to vehicle, but shall be used only for the  
21 limited operation of vehicles in connection with the manufacture,  
22 construction, rebuilding, or delivery of new or used truck cabs or  
23 bodies between the manufacturer, dealer, seller, or purchaser, or with  
24 the foreclosure or repossession of vehicles, or with the pickup and  
25 delivery of motor vehicles to be prepared for sale by dealers, or, if the  
26 registrant is a public utility, for the limited movement of vehicles in  
27 connection with the sale of a replaced vehicle.

28 (6) Suspension, Revocation or Refusal to Issue or to Renew a  
29 Registration. The Commissioner may deny the application of any  
30 person for registration under this section and may suspend or revoke a  
31 registration or refuse to issue a renewal thereof if he determines that  
32 such applicant or registrant has:

- 33 a. Made a material false statement in his application;
- 34 b. Used or permitted the use of number plates contrary to law;
- 35 e. Been guilty of fraud or fraudulent practices; or
- 36 d. Failed to comply with any of the rules and regulations of the  
37 Commissioner for the enforcement of this section or with any  
38 provisions of this Chapter applicable thereto.

39 (c) Form, Duration, and Transfer. — A transporter plate is a type of commercial  
40 license plate. A transporter plate is issued on a calendar year basis. During the  
41 calendar year for which it is issued, a person may transfer a transporter plate from one  
42 vehicle to another as long as the vehicle is driven only for a purpose authorized by  
43 subsection (a).

1        ~~(b) Any person engaged in a business which owns and operates a fleet of five or~~  
2 ~~more trucks licensed for 15,000 pounds gross weight or more who operates and~~  
3 ~~maintains their own repair facilities may be issued one transporter plate pursuant to~~  
4 ~~subsection (a) for the sole purpose of road testing their repaired trucks which will~~  
5 ~~become eligible to be licensed for 15,000 pounds gross weight or more, subject to~~  
6 ~~weight limitations as provided by law, within a 10-mile radius of the repair facility. A~~  
7 ~~motor vehicle liability insurance shall be maintained on such trucks at all times."~~

8            Sec. 6. G.S. 20-79.3 is repealed.

9            Sec. 7. Sections 5 and 6 of this act become effective January 1, 1994. The  
10 remainder of this act becomes effective July 1, 1993.