

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

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SENATE BILL 1147*
Commerce, Small Business and Entrepreneurship Committee Substitute Adopted
5/16/07
House Committee Substitute Favorable 7/26/07
Fourth Edition Engrossed 7/27/07

Short Title: Dealer MV Inspection/Records/MV Registration. (Public)

Sponsors:

Referred to:

March 22, 2007

A BILL TO BE ENTITLED

1
2 AN ACT TO REQUIRE A COPY OF THE REGISTRATION CARD ISSUED FOR A
3 DEALER REGISTRATION PLATE BE IN THE VEHICLE, TO MODIFY
4 RETENTION AND INSPECTION PROCEDURES FOR DEALER RECORDS, TO
5 CLARIFY WHEN A VEHICLE MUST BE INSPECTED, AND TO CLARIFY
6 MOTOR VEHICLE REGISTRATION REQUIREMENTS.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** G.S. 20-79(d) reads as rewritten:

9 "(d) Restrictions on Use. – A dealer license plate may be displayed only on a
10 motor vehicle that meets all of the following requirements:

- 11 (1) Is part of the inventory of the dealer.
12 (2) Is not consigned to the dealer.
13 (3) Is covered by liability insurance that meets the requirements of Article
14 9A of this Chapter.
15 (4) Is not used by the dealer in another business in which the dealer is
16 engaged.
17 (5) Is driven on a highway by a person ~~who carries a copy of the~~
18 ~~registration card for the dealer plates issued to the dealer while driving~~
19 ~~the motor vehicle and~~ who meets one of the following descriptions:
20 a. Has a demonstration permit to test-drive the motor vehicle and
21 carries the demonstration permit while driving the motor
22 vehicle.
23 b. Is an officer or sales representative of the dealer and is driving
24 the vehicle for a business purpose of the dealer.
25 c. Is an employee of the dealer and is driving the vehicle in the
26 course of employment.

1 (6) A copy of the registration card for the dealer plate issued to the dealer
2 is carried by the person operating the motor vehicle or, if the person is
3 operating the motor vehicle in this State, the registration card is
4 maintained on file at the dealer's address listed on the registration card,
5 and the registration card must be able to be produced within 24 hours
6 upon request of any law enforcement officer.

7 A dealer may issue a demonstration permit for a motor vehicle to a person licensed
8 to drive that type of motor vehicle. A demonstration permit authorizes each person
9 named in the permit to drive the motor vehicle described in the permit for up to 96
10 hours after the time the permit is issued. A dealer may, for good cause, renew a
11 demonstration permit for one additional 96-hour period.

12 A dealer may not lend, rent, lease, or otherwise place a dealer license plate at the
13 disposal of a person except as authorized by this subsection."

14 **SECTION 2.** G.S. 20-183.4C is amended by adding a new subdivision to
15 read:

16 "(1a) A new motor vehicle dealer who is also licensed pursuant to this
17 Article may, notwithstanding subdivision (1) of this section, examine
18 the safety and emissions control devices on a new motor vehicle and
19 perform such services necessary to ensure the motor vehicle conforms
20 to the required specifications established by the manufacturer and
21 contained in its predelivery check list. The completion of the
22 predelivery inspection procedure required or recommended by the
23 manufacturer on a new motor vehicle shall constitute the inspection
24 required by subdivision (1) of this section. For the purposes of this
25 subdivision, the date of inspection shall be deemed to be the date of
26 the sale of the motor vehicle to a purchaser."

27 **SECTION 3.** G.S. 20-297(a) reads as rewritten:

28 "(a) Vehicles. – A dealer must keep a record of all vehicles received by the dealer
29 and all vehicles sold by the dealer. The records must contain the information that the
30 Division requires. A dealer may keep and maintain records at the dealership facility
31 where the vehicles were sold or at another established office located within this State
32 provided that the location and the name of a designated contact agent are provided to
33 the Division and the records can be made available for inspection by the Division within
34 a reasonable period of time after being requested by the Division."

35 **SECTION 4.** Section 2 of Session Law 2007-209 is repealed.

36 **SECTION 5.** G.S. 20-52 reads as rewritten:

37 "(a) An owner of a vehicle subject to registration must apply to the Division for a
38 certificate of title, a registration plate, and a registration card for the vehicle. To apply,
39 an owner must complete an application ~~form~~ provided by the Division. The application
40 ~~form~~ must request all of the following information and may request other information
41 the Division considers necessary:

42 (1) The owner's name.

43 (1a) If the owner is an individual, the following information:

44 a. The owner's mailing address and residence address.

- 1 b. ~~The owner's social security number.~~One of the following at the
2 option of the applicant:
3 1. The owner's North Carolina drivers license number or
4 North Carolina special identification card number.
5 2. The owner's home state drivers license number or home
6 state special identification card number and valid active
7 duty military identification card number or military
8 dependent identification card number if the owner is a
9 person or the spouse or dependent child of a person on
10 active duty in the armed forces of the United States who
11 is stationed in this State or deployed outside this State
12 from a home base in this State. The owner's inability to
13 provide a photocopy or reproduction of a military or
14 military dependent identification card pursuant to any
15 prohibition of the United States government or any
16 agency thereof against the making of such photocopy or
17 reproduction shall not operate to prevent the owner from
18 making an application for registration and certificate of
19 title pursuant to this subdivision.
20 3. The owner's home state drivers license number or home
21 state special identification card number and proof of
22 enrollment in a school in this State if the owner is a
23 permanent resident of another state but is currently
24 enrolled in a school in this State.
25 4. The owner's home state drivers license number or home
26 state special identification card number if the owner
27 provides a signed affidavit certifying that the owner
28 intends to principally garage the vehicle in this State and
29 provides the address where the vehicle is or will be
30 principally garaged. For purposes of this section,
31 "principally garage" means the vehicle is garaged for six
32 or more months of the year on property in this State
33 which is owned, leased, or otherwise lawfully occupied
34 by the owner of the vehicle.
35 5. The owner's home state drivers license number or home
36 state special identification card number, provided that
37 the application is made pursuant to a court authorized
38 sale or a sale authorized by G.S. 44A-4 for the purpose
39 of issuing a title to be registered in another state or
40 country.
41 6. The co-owner's home state drivers license number or
42 home state special identification card number if at least
43 one co-owner provides a North Carolina drivers license
44 number or North Carolina special identification number.

1 7. The owner's home state drivers license number or special
2 identification card number if the application is for a
3 motor home or house car, as defined in G.S. 20-
4 4.01(27)d2., or for a house trailer, as defined in G.S. 20-
5 4.01(14).

6 (1b) If the owner is a firm, a partnership, a corporation, or another entity,
7 the address of the entity.

8 (2) A description of the vehicle, including the following:

9 a. The make, model, type of body, and vehicle identification
10 number of the vehicle.

11 b. Whether the vehicle is new or used and, if a new vehicle, the
12 date the manufacturer or dealer sold the vehicle to the owner
13 and the date the manufacturer or dealer delivered the vehicle to
14 the owner.

15 (3) A statement of the owner's title and of all liens upon the vehicle,
16 including the names and addresses of all lienholders in the order of
17 their priority, and the date and nature of each lien.

18 ~~The application form must contain the disclosures concerning the request for an~~
19 ~~applicant's social security number required by section 7 of the federal Privacy Act of~~
20 ~~1974, Pub. L. No. 93-579. In accordance with 42 U.S.C. 405(e)(2)(C)(v), the Division~~
21 ~~may disclose a social security number obtained under this subsection only for the~~
22 ~~purpose of administering the motor vehicle registration laws and may not disclose the~~
23 ~~social security number for any other purpose. The social security number of a person~~
24 ~~who applies to register a vehicle or of a person in whose name a vehicle is registered is~~
25 ~~therefore not a public record. A violation of the disclosure restrictions is punishable as~~
26 ~~provided in 42 U.S.C. 405(e)(2)(C)(vii).~~

27 (a1) An owner who would otherwise be capable of attaining a drivers license or
28 special identification card from this State or any other state, except for a medical or
29 physical condition that can be documented to, and verified by, the Division, shall be
30 issued a registration plate and certificate of title if the owner provides a signed affidavit
31 certifying that the owner intends to principally garage the vehicle in this State and
32 provides the address where the vehicle is or will be principally garaged.

33 (b) When such application refers to a new vehicle purchased from a manufacturer
34 or dealer, such application shall be accompanied with a manufacturer's certificate of
35 origin that is properly assigned to the applicant. If the new vehicle is acquired from a
36 dealer or person located in another jurisdiction other than a manufacturer, the
37 application shall be accompanied with such evidence of ownership as is required by the
38 laws of that jurisdiction duly assigned by the disposer to the purchaser, or, if no such
39 evidence of ownership be required by the laws of such other jurisdiction, a notarized bill
40 of sale from the disposer."

41 **SECTION 6.** If House Bill 729 of the 2007 Regular Session becomes law,
42 Section 6 of that act is repealed.

43 **SECTION 7.** If House Bill 729 of the 2007 Regular Session becomes law,
44 G.S. 20-52(a), as amended by Section 5 of this act, reads as rewritten:

1 "(a) An owner of a vehicle subject to registration must apply to the Division for a
2 certificate of title, a registration plate, and a registration card for the vehicle. To apply,
3 an owner must complete an application provided by the Division. The application must
4 request all of the following information and may request other information the Division
5 considers necessary:

6 (1) The owner's name.

7 (1a) If the owner is an individual, the following information:

8 a. The owner's mailing address and residence address.

9 b. One of the following at the option of the applicant:

10 1. The owner's North Carolina drivers license number or
11 North Carolina special identification card number.

12 2. The owner's home state drivers license number or home
13 state special identification card number and valid active
14 duty military identification card number or military
15 dependent identification card number if the owner is a
16 person or the spouse or dependent child of a person on
17 active duty in the armed forces of the United States who
18 is stationed in this State or deployed outside this State
19 from a home base in this State. The owner's inability to
20 provide a photocopy or reproduction of a military or
21 military dependent identification card pursuant to any
22 prohibition of the United States government or any
23 agency thereof against the making of such photocopy or
24 reproduction shall not operate to prevent the owner from
25 making an application for registration and certificate of
26 title pursuant to this subdivision.

27 3. The owner's home state drivers license number or home
28 state special identification card number and proof of
29 enrollment in a school in this State if the owner is a
30 permanent resident of another state but is currently
31 enrolled in a school in this State.

32 4. The owner's home state drivers license number or home
33 state special identification card number if the owner
34 provides a signed affidavit certifying that the owner
35 intends to principally garage the vehicle in this State and
36 provides the address where the vehicle is or will be
37 principally garaged. For purposes of this section,
38 "principally garage" means the vehicle is garaged for six
39 or more months of the year on property in this State
40 which is owned, leased, or otherwise lawfully occupied
41 by the owner of the vehicle.

42 5. The owner's home state drivers license number or home
43 state special identification card number, provided that
44 the application is made pursuant to a court authorized

- 1 sale or a sale authorized by G.S. 44A-4 for the purpose
2 of issuing a title to be registered in another state or
3 country.
- 4 6. The co-owner's home state drivers license number or
5 home state special identification card number if at least
6 one co-owner provides a North Carolina drivers license
7 number or North Carolina special identification number.
- 8 7. The owner's home state drivers license number or special
9 identification card number if the application is for a
10 motor home or house car, as defined in
11 G.S. 20-4.01(27)d2., or for a house trailer, as defined in
12 G.S. 20-4.01(14).
- 13 (1b) If the owner is a firm, partnership, a corporation, or another entity, the
14 address of the entity.
- 15 (2) A description of the vehicle, including the following:
- 16 a. The make, model, type of body, and vehicle identification
17 number of the vehicle.
- 18 b. Whether the vehicle is new or used and, if a new vehicle, the
19 date the manufacturer or dealer sold the vehicle to the owner
20 and the date the manufacturer or dealer delivered the vehicle to
21 the owner.
- 22 (3) A statement of the owner's title and of all liens upon the vehicle,
23 including the names and addresses of all lienholders in the order of
24 their priority, and the date and nature of each lien.
- 25 (4) A statement that the owner is an eligible risk for insurance coverage as
26 defined in G.S. 58-37-1.
- 27 (5) For registration and certificate of title for a nonfleet private passenger
28 motor vehicle, a statement that providing incorrect or false and
29 misleading information as to the owner's status as an eligible risk can
30 result in criminal prosecution and the denial of insurance coverage for
31 any loss of the owner under any insurance policies for which
32 application is made if the owner provides false and misleading
33 information as to eligible risk status.
- 34 (6) For registration and certificate of title for a nonfleet private passenger
35 motor vehicle, a statement that the owner will inform the insurer
36 before the next policy renewal if the owner ceases to be an eligible
37 risk."
- 38 **SECTION 8.** If House Bill 729 of the 2007 Regular Session becomes law,
39 G.S. 58-37-1(4a), as enacted by Section 1 of that act, reads as rewritten:
- 40 "(4a) "Eligible risk," for the purpose of nonfleet private passenger motor
41 vehicle insurance, means:
- 42 a. A resident of this State who owns a motor vehicle registered or
43 principally garaged in this State;

- 1 b. A resident of this State and who has a valid driver's license
2 issued by this State;
- 3 c. A person who is required to file proof of financial responsibility
4 under Article 9A or 13 of Chapter 20 of the General Statutes in
5 order to register his or her vehicle or to obtain a driver's license
6 in this State;
- 7 d. A nonresident of this State who owns a motor vehicle registered
8 and principally garaged in this State;
- 9 e. A nonresident of the State who is one of the following:
- 10 1. A member of the armed forces of the United States
11 ~~armed forces~~ stationed in this ~~State~~ State, or deployed
12 outside this State from a home base in this State, who
13 intends to return to his or her home state;
- 14 2. The spouse of a nonresident member of the armed forces
15 of the United States ~~armed forces~~ stationed in this ~~State~~
16 State, or deployed outside this State from a home base in
17 this State, who intends to return to his or her home state;
- 18 3. An out-of-state student who intends to return to his or
19 her home state upon completion of his or her time as a
20 student enrolled in school in this State; or
- 21 f. The State and its agencies and cities, counties, towns, and
22 municipal corporations in this State and their agencies.

23 However, no person shall be deemed an eligible risk if timely payment
24 or premium is not tendered or if there is a valid unsatisfied judgment
25 of record against the person for recovery of amounts due for motor
26 vehicle insurance premiums and the person has not been discharged
27 from paying the judgment or if the person does not furnish the
28 information necessary to effect insurance."

29 **SECTION 9.** Section 5 of this act becomes effective September 15, 2007,
30 and applies to applications for registration and certificate of title made on or after that
31 date but shall not apply to any application that had been completed and notarized but
32 not yet submitted to or processed by the Division prior to September 15, 2007. Sections
33 6, 7, and 8 of this act become effective January 1, 2008. The remainder of this act is
34 effective when it becomes law.