

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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SENATE BILL 343

Short Title: Revise Vehicle Sale Laws. (Public)

Sponsors: Senators B. Jackson, Perry, and Sawyer (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 25, 2021

1 A BILL TO BE ENTITLED
2 AN ACT TO REVISE AND CLARIFY CERTAIN LAWS GOVERNING THE SALE OF
3 MOTOR VEHICLES.

4 The General Assembly of North Carolina enacts:

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6 **TEMPORARY DRIVING CERTIFICATES**

7 **SECTION 1.(a)** G.S. 20-7(f)(5) reads as rewritten:

8 "(5) License to be sent by mail. – The Division shall issue to the applicant a
9 temporary driving certificate valid for 60 days, unless the applicant is applying
10 for renewal by mail under subdivision (4) of this subsection. The temporary
11 driving certificate shall be valid for driving purposes and shall not be valid for
12 identification purposes, except when conducting business with the Division or
13 a motor vehicle dealer licensed under Article 12 of this Chapter, and not
14 otherwise prohibited by federal law. The temporary driving certificate shall
15 also be valid for purposes of motor vehicle registration pursuant to G.S. 20-52.
16 The Division shall produce the applicant's drivers license at a central location
17 and send it to the applicant by first-class mail at the residence address provided
18 by the applicant, unless the applicant is ineligible for mail delivery by the
19 United States Postal Service at the applicant's residence. If the United States
20 Postal Service documents that it does not deliver to the residential address
21 provided by the applicant, and the Division has verified the applicant's
22 residential address by other means, the Division may mail the drivers license
23 to the post office box provided by the applicant. Applicants whose only
24 mailing address prior to July 1, 2008, was a post office box in this State may
25 continue to receive their license at that post office box, provided the
26 applicant's residential address has been verified by the Division."

27 **SECTION 1.(b)** G.S. 20-52(a)(1a)b. is amended by adding a new
28 sub-sub-subdivision to read:

29 "1a. The owner's valid North Carolina temporary driving certificate
30 issued pursuant to G.S. 20-7(f)(5)."

31 **SECTION 1.(c)** This section becomes effective October 1, 2021, and applies to
32 motor vehicle registrations on or after this date.

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34 **CONDITIONAL DELIVERY CLARIFICATION**

35 **SECTION 2.** G.S. 20-75.1 reads as rewritten:

36 "§ 20-75.1. **Conditional delivery of motor vehicles.**



1 Notwithstanding G.S. 20-52.1, 20-72, and 20-75, nothing contained in those sections
2 prohibits a dealer from entering into a contract with any purchaser for the sale of a vehicle and
3 delivering the vehicle to the purchaser under terms by which the dealer's obligation to execute
4 the manufacturer's certificate of origin or the certificate of title is conditioned on the purchaser
5 obtaining financing for the purchase of the vehicle. Liability, collision, and comprehensive
6 insurance on a vehicle sold and delivered conditioned on the purchaser obtaining financing for
7 the purchaser of the vehicle shall be covered by the dealer's insurance policy until such financing
8 is finally approved and execution of the manufacturer's certificate of origin or execution of the
9 certificate of title. Upon final approval and execution of the manufacturer's certificate of origin
10 or the certificate of title, and upon the purchaser having liability insurance on another vehicle,
11 the delivered vehicle shall be covered by the purchaser's insurance policy beginning at the time
12 of final financial approval and execution of the manufacturer's certificate of origin or the
13 certificate of title. ~~The~~ For conditionally delivered vehicles, the dealer shall notify the purchaser,
14 the insurance agency servicing the purchaser's insurance policy or the purchaser's insurer of the
15 purchase on the day of, or if the insurance agency or insurer is not open for business, on the next
16 business day following approval of the purchaser's financing and execution of the manufacturer's
17 certificate of origin or the certificate of title. The purchaser shall be solely responsible for
18 obtaining and paying for insurance on the purchased vehicle, and the dealer shall in no instance
19 be liable in the event the purchaser fails to place insurance on the purchased vehicle. This
20 subsection is in addition to any other provisions of law or insurance policies and does not repeal
21 or supersede those provisions."
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23 **NEW MOTOR VEHICLE DEALER PLATE NUMBERING**

24 **SECTION 3.(a)** G.S. 20-79(c) reads as rewritten:

25 "(c) Form and Duration. – A dealer license plate is subject to G.S. 20-63, except for the
26 requirement that the plate display the registration number of a motor vehicle and the requirement
27 that the plate be a "First in Flight" plate, a "First in Freedom" plate, or a "National/State Mottos"
28 plate. A dealer license plate must have a distinguishing symbol identifying the plate as a dealer
29 license plate. The symbol may vary depending upon the classification of dealer license plate
30 issued. The Division must provide suitably reduced sized license plates for motorcycle dealers
31 and manufacturers.

32 A dealer license plate issued to a new motor vehicle dealer, as that term is defined in
33 G.S. 20-286, shall bear a unique number for each licensed new motor vehicle dealer followed by
34 a hyphen and then by the numbers "001" for the first dealer plate issued to that dealer and
35 thereafter numbered sequentially for the remainder of the dealer plates issued to that dealer.

36 A dealer license plate is issued for a period of one year. The Division shall vary the expiration
37 dates of dealer registration renewals so that an approximately equal number expires at the end of
38 each month, quarter, or other period consisting of one or more months. A dealer license plate
39 may be transferred from one vehicle to another. When the Division issues a dealer plate, it may
40 issue a registration that expires at the end of any monthly interval. When one of the following
41 occurs, a dealer must surrender to the Division all dealer license plates issued to the dealer:

- 42 (1) The dealer surrenders the license issued to the dealer under Article 12 of this
43 Chapter.
- 44 (2) The Division suspends or revokes the license issued to the dealer under Article
45 12 of this Chapter.
- 46 (3) The Division rescinds the dealer license plates because of a violation of the
47 restrictions on the use of a dealer license plate.

48 To obtain a dealer license plate after it has been surrendered, the dealer must file a new
49 application for a dealer license plate and pay the required fee for the plate."

50 **SECTION 3.(b)** This section becomes effective October 1, 2021, and applies to
51 dealer plates issued on or after this date.

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EFFECTIVE DATE

SECTION 4. Except as otherwise provided, the remainder of this act is effective when it becomes law.