GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2003

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SENATE BILL 777 House Committee Substitute Favorable 5/27/03

	Short Title: Amend Dealer Licensing Law.									
	Sponsors:									
	Referred to:									
	April 3, 2003									
1		A BILL TO BE ENTITLED								
2	AN ACT TO AMEN	D THE MOTOR VEHICLE DEALER	S AND							
3	MANUFACTURERS I	LICENSING LAW WITH REGARD T	O THE							
4	MANUFACTURE, SAI	LE, AND DISTRIBUTION OF TRAILER	RS AND							
5	SEMITRAILERS.									
6	The General Assembly of No	rth Carolina enacts:								
7	SECTION 1. G.S	. 20-286(11) reads as rewritten:								
8	"(11) Motor vehic	ele dealer or dealer. –								
9	a. A per	rson who does any of the following:								
10	1.	For commission, money, or other thing of va	lue, buys,							
11		sells, or exchanges, whether outright or on c	onditional							
12		sale, bailment lease, chattel mortgage, or other	wise, five							
13		or more motor vehicles within any 12 co								
14		months, regardless of who owns the motor vehi								
15	2.	On behalf of another and for commission, r	•							
16		other thing of value, arranges, offers, attempts								
17		or attempts to negotiate the sale, purchase, or	_							
18		of an interest in five or more motor vehicles v	•							
19		12 consecutive months, regardless of who	owns the							
20	_	motor vehicles.								
21	3.	Engages, wholly or in part, in the business of se	_							
22		motor vehicles or new or used motor vehicles								
23		motor vehicles only, whether or not the moto								
24		are owned by that person, and sells five or m	ore motor							
25	,	vehicles within any 12 consecutive months.	1 0							
26	4.	Offers to sell, displays, or permits the display for								
27		any form of compensation five or more moto	r venicles							
28		within any 12 consecutive months.								

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1 2		5.	Primarily engages in the leasing or renting of motor vehicles to others and sells or offers to sell those vehicles
3			at retail.
4	b.	The t	erm "motor vehicle dealer" or "dealer" does not include
5		any o	f the following:
6		1.	Receivers, trustees, administrators, executors, guardians,
7			or other persons appointed by or acting under the
8			judgment or order of any court.
9		2.	Public officers while performing their official duties.
10		3.	Persons disposing of motor vehicles acquired for their
11			own use or the use of a family member, and actually so
12			used, when the vehicles have been acquired and used in
13			good faith and not for the purpose of avoiding the
14			provisions of this Article.
15		4.	Persons who sell motor vehicles as an incident to their
16			principal business but who are not engaged primarily in
17			the selling of motor vehicles. This category includes
18			financial institutions who sell repossessed motor vehicles
19			and insurance companies who sell motor vehicles to
20			which they have taken title as an incident of payments
21			made under policies of insurance, and auctioneers who
22			sell motor vehicles for the owners or the heirs of the
23			owners of those vehicles as part of an auction of other
24			personal or real property or for the purpose of settling an
25			estate or closing a business or who sell motor vehicles on
26			behalf of a governmental entity, and who do not
27			maintain a used car lot or building with one or more
28			employed motor vehicle sales representatives.
29		5.	Persons manufacturing, distributing or selling trailers
30			and semitrailers weighing not more than 750 pounds and
31			carrying not more than a 1,500 pound load. 2,500 pounds
32			unloaded weight.
33		6.	A licensed real estate broker or salesman who sells a
34			mobile home for the owner as an incident to the sale of
35			land upon which the mobile home is located.
36		7.	An employee of an organization arranging for the
37			purchase or lease by the organization of vehicles for use
38			in the organization's business.
39		8.	Any publication, broadcast, or other communications
40			media when engaged in the business of advertising, but
41			not otherwise arranging for the sale of motor vehicles
42			owned by others.
43		9.	Any person dealing solely in the sale or lease of vehicles
44			designed exclusively for off-road use.

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- 10. Any real property owner who leases any interest in property for use by a dealer.
- 11. Any person acquiring any interest in a motor vehicle for a family member."

SECTION 2. G.S. 20-288(d) reads as rewritten:

"(d) To obtain a license as a wholesaler, an applicant who intends to sell or distribute self-propelled vehicles must have an established office in this State, and an applicant who intends to sell or distribute only trailers or semitrailers of less-more than 2500-2,500 pounds unloaded weight must have a place of business in this State where the records required under this Article are kept.

To obtain a license as a motor vehicle dealer, an applicant who intends to deal in self-propelled vehicles must have an established salesroom in this State, and an applicant who intends to deal in only trailers or semitrailers of less_more than 2500 2,500 pounds unloaded weight must have a place of business in this State where the records required under this Article are kept.

An applicant for a license as a manufacturer, a factory branch, a distributor, a distributor branch, a wholesaler, or a motor vehicle dealer must have a separate license for each established office, established salesroom, or other place of business in this State. An application for any of these licenses shall include a list of the applicant's places of business in this State."

SECTION 3. This act becomes effective July 1, 2003, and applies to licenses issued or renewed on or after that date.