

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003**

**SESSION LAW 2003-254  
SENATE BILL 777**

AN ACT TO AMEND THE MOTOR VEHICLE DEALERS AND  
MANUFACTURERS LICENSING LAW WITH REGARD TO THE  
MANUFACTURE, SALE, AND DISTRIBUTION OF TRAILERS AND  
SEMITRAILERS.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 20-286(11) reads as rewritten:

"(11) Motor vehicle dealer or dealer. –

- a. A person who does any of the following:
  1. For commission, money, or other thing of value, buys, sells, or exchanges, whether outright or on conditional sale, bailment lease, chattel mortgage, or otherwise, five or more motor vehicles within any 12 consecutive months, regardless of who owns the motor vehicles.
  2. On behalf of another and for commission, money, or other thing of value, arranges, offers, attempts to solicit, or attempts to negotiate the sale, purchase, or exchange of an interest in five or more motor vehicles within any 12 consecutive months, regardless of who owns the motor vehicles.
  3. Engages, wholly or in part, in the business of selling new motor vehicles or new or used motor vehicles, or used motor vehicles only, whether or not the motor vehicles are owned by that person, and sells five or more motor vehicles within any 12 consecutive months.
  4. Offers to sell, displays, or permits the display for sale for any form of compensation five or more motor vehicles within any 12 consecutive months.
  5. Primarily engages in the leasing or renting of motor vehicles to others and sells or offers to sell those vehicles at retail.
- b. The term "motor vehicle dealer" or "dealer" does not include any of the following:
  1. Receivers, trustees, administrators, executors, guardians, or other persons appointed by or acting under the judgment or order of any court.
  2. Public officers while performing their official duties.
  3. Persons disposing of motor vehicles acquired for their own use or the use of a family member, and actually so used, when the vehicles have been acquired and used in good faith and not for the purpose of avoiding the provisions of this Article.
  4. Persons who sell motor vehicles as an incident to their principal business but who are not engaged primarily in the selling of motor vehicles. This category includes

- financial institutions who sell repossessed motor vehicles and insurance companies who sell motor vehicles to which they have taken title as an incident of payments made under policies of insurance, and auctioneers who sell motor vehicles for the owners or the heirs of the owners of those vehicles as part of an auction of other personal or real property or for the purpose of settling an estate or closing a business or who sell motor vehicles on behalf of a governmental entity, and who do not maintain a used car lot or building with one or more employed motor vehicle sales representatives.
5. Persons manufacturing, distributing or selling trailers and semitrailers weighing not more than ~~750 pounds and carrying not more than a 1,500 pound load.~~ 2,500 pounds unloaded weight.
  6. A licensed real estate broker or salesman who sells a mobile home for the owner as an incident to the sale of land upon which the mobile home is located.
  7. An employee of an organization arranging for the purchase or lease by the organization of vehicles for use in the organization's business.
  8. Any publication, broadcast, or other communications media when engaged in the business of advertising, but not otherwise arranging for the sale of motor vehicles owned by others.
  9. Any person dealing solely in the sale or lease of vehicles designed exclusively for off-road use.
  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.

In the General Assembly read three times and ratified this the 16<sup>th</sup> day of June, 2003.

s/ Beverly E. Perdue  
President of the Senate

s/ Richard T. Morgan  
Speaker of the House of Representatives

s/ Michael F. Easley  
Governor

Approved 12:42 p.m. this 26<sup>th</sup> day of June, 2003