

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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HOUSE BILL 1097*
Committee Substitute Favorable 6/24/14

Short Title: Service of Hearing Order/MV Dealer Licensee.

(Public)

Sponsors:

Referred to:

May 19, 2014

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO PLACE A LICENSE ISSUED UNDER THE MOTOR VEHICLE DEALERS AND MANUFACTURERS LICENSING LAW ON PROBATION AND TO PROVIDE THAT NOTICE OF A SUSPENSION, REVOCATION, OR NONRENEWAL OF A LICENSE UNDER THE MOTOR VEHICLE DEALERS AND MANUFACTURERS LICENSING LAW SHALL BE GIVEN IN ACCORDANCE WITH RULE 4 OF THE RULES OF CIVIL PROCEDURE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-294 reads as rewritten:

"§ 20-294. Grounds for denying, ~~suspendingsuspending~~, placing on probation, or revoking licenses.

The Division may deny, suspend, place on probation, or revoke a license issued under this Article for any one or more of the following grounds:

- (1) Making a material misstatement in an application for a license.
- (2) Willfully and intentionally failing to comply with this Article, Article 15 of this Chapter, or G.S. 20-52.1, 20-75, 20-79.1, 20-79.2, 20-108, 20-109, or a rule adopted by the Division under this Article.
- (3) Failing to have an established salesroom, if the license holder is a motor vehicle dealer, or failing to have an established office, if the license holder is a wholesaler.
- (4) Willfully defrauding any retail buyer, to the buyer's damage, or any other person in the conduct of the licensee's business.
- (5) Employing fraudulent devices, methods or practices in connection with compliance with the requirements under the laws of this State with respect to the retaking of motor vehicles under retail installment contracts and the redemption and resale of such motor vehicles.
- (6) Using unfair methods of competition or unfair deceptive acts or practices.
- (7) Knowingly advertising by any means, any assertion, representation or statement of fact which is untrue, misleading or deceptive in any particular relating to the conduct of the business licensed or for which a license is sought.
- (8) Knowingly advertising a used motor vehicle for sale as a new motor vehicle.
- (9) Being convicted of an offense set forth under G.S. 20-106, 20-106.1, 20-107, or 20-112 while holding such a license or within five years next preceding the date of filing the application; or being convicted of a felony involving



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- 1 moral turpitude under the laws of this State, another state, or the United
2 States.
- 3 (10) Submitting a bad check to the Division of Motor Vehicles in payment of
4 highway use taxes collected by the licensee.
- 5 (11) Knowingly giving an incorrect certificate of title, or failing to give a
6 certificate of title to a purchaser, a lienholder, or the Division, as appropriate,
7 after a vehicle is sold.
- 8 (12) Making a material misstatement in an application for a dealer license plate.
- 9 (13) Failure to pay a civil penalty imposed under G.S. 20-287."

10 **SECTION 2.** G.S. 20-296 reads as rewritten:

11 "**§ 20-296. Notice and hearing upon denial, suspension, ~~revocation~~ revocation, placing on**
12 **probation, or refusal to renew license.**

13 No license shall be ~~suspended or revoked or~~ suspended, revoked, denied, placed on
14 probation, or renewal thereof refused, until a written notice of the complaint made has been
15 furnished to the licensee against whom the same is directed, and a hearing thereon has been
16 had before the Commissioner, or a person designated by him. At least 10 days' written notice of
17 the time and place of such hearing shall be given to the licensee by certified mail with return
18 receipt requested to his last known address as shown on his license or other record of
19 information in possession of the Division. At any such hearing, the licensee shall have the right
20 to be heard personally or by counsel. After hearing, the Division shall have power to suspend,
21 ~~revoke~~ revoke, place on probation, or refuse to renew the license in question. Immediate notice
22 of any such action shall be given to the licensee in ~~the manner herein provided in the case of~~
23 notices of hearing accordance with G.S. 1A-1, Rule 4(j) of the Rules of Civil Procedure."

24 **SECTION 3.** This act becomes effective October 1, 2014, and applies to notices
25 given on or after that date.