

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 330  
Committee Substitute Favorable 4/11/91  
Third Edition Engrossed 4/17/91

Short Title: Motor Vehicle Dealer-Definition.

(Public)

Sponsors:

Referred to:

March 26, 1991

A BILL TO BE ENTITLED

AN ACT TO AMEND THE DEFINITION OF MOTOR VEHICLE DEALER.

The General Assembly of North Carolina enacts:

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

"(11) 'Motor vehicle dealer' and 'dealer' mean ~~any person, firm, association, or corporation engaged in the business of selling motor vehicles, or who holds or held at the time a cause of action under this Article accrued, a valid sales and service agreement, franchise or contract, granted by the manufacturer or distributor for the retail sale of said manufacturer's or distributor's new motor vehicles.~~ any person, partnership, association, corporation, or entity which:

a. For commission, money or other thing of value, buys, sells, exchanges (either outright or on conditional sale, bailment lease, chattel mortgage, or otherwise), or arranges, offers, attempts to solicit, or attempts to negotiate, on behalf of others the sale, purchase, or exchange of an interest in five or more motor vehicles within any 12 consecutive months, whether or not the motor vehicles are owned by that person, partnership, association, corporation, or entity; or

b. Is engaged, 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

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1 that person, partnership, association, or corporation, and sells  
2 five or more motor vehicles within any 12 consecutive months;  
3 or

4 c. Offers to sell, displays, or permits the display for sale for any  
5 form of compensation five or more motor vehicles within any  
6 12 consecutive months.

7 The term 'motor vehicle dealer' or 'dealer' does not include:

8 a. Receivers, trustees, administrators, executors,  
9 guardians, or other persons appointed by or acting under the  
10 judgment or order of any court; or

11 b. Public officers while performing their official duties;  
12 or

13 c. ~~Persons~~ Persons, other than corporations or other  
14 business entities primarily engaged in the leasing or renting of  
15 motor vehicles to others when selling or offering those  
16 vehicles for sale at retail, disposing of motor vehicles  
17 acquired for their own use or the use of a family member, and  
18 actually so used, when the same shall have been so acquired  
19 and used in good faith and not for the purpose of avoiding the  
20 provisions of this Article; or

21 d. Persons, firms or corporations who shall sell motor  
22 vehicles as an incident to their principal business but who are  
23 not engaged primarily in the selling of motor vehicles. This  
24 category includes ~~finance companies~~ financial institutions who  
25 shall sell repossessed motor vehicles and insurance  
26 companies who sell motor vehicles to which they have taken  
27 title as an incident of payments made under policies of  
28 insurance and who do not maintain a used car lot or building  
29 with one or more employed motor vehicle salesmen.

30 e. Persons, firms or corporations manufacturing,  
31 distributing or selling trailers and semitrailers weighing not  
32 more than 750 pounds and carrying not more than a 1,500  
33 pound load.

34 f. A licensed real estate broker or salesman who sells a  
35 mobile home for the owner as an incident to the sale of land  
36 upon which the mobile home is located.

37 g. An employee of an organization arranging for the purchase or  
38 lease by the organization of vehicles for use in the  
39 organization's business.

40 h. Any publication, broadcast, or other communications media  
41 when engaged in the business of advertising, but not otherwise  
42 arranging for the sale of motor vehicles owned by others.

43 i. Any person dealing solely in the sale or lease of vehicles  
44 designed exclusively for off-road use.

- 1                   j.     Any real property owner who leases any interest in property for  
2                    use by a dealer.  
3                   k.     Any person acquiring any interest in a motor vehicle for a  
4                    family member."

5                   Sec. 2. This act shall be effective October 1, 1991.