

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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HOUSE DRH80364-RWz-37* (3/3)

Short Title: Staggered Issuance-Commercial/Dealer Plates. (Public)

Sponsors: Representatives Cole; and Gillespie.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR STAGGERED ISSUANCE OF COMMERCIAL
LICENSE PLATES, DEALER LICENSE PLATES, AND MOTOR VEHICLE
DEALERS AND MANUFACTURERS LICENSES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-64(a) reads as rewritten:

"(a) Except as otherwise provided in this Article, registration plates shall be retained by the owner thereof upon disposition of the vehicle to which assigned, and may be assigned to another vehicle, belonging to such owner and of a like vehicle category within the meaning of G.S. 20-87 and 20-88, upon proper application to the Division and payment of a transfer fee and such additional fees as may be due because the vehicle to which the plates are to be assigned requires a greater registration fee than that vehicle to which the license plates were last assigned. In cases where the plate is assigned to another vehicle belonging to such owner, and is not of a like vehicle category within the meaning of G.S. 20-87 and 20-88, the owner shall surrender the plate to the Division and receive therefor a plate of the proper category, and the unexpired portion of the fee originally paid by the owner for the plate so surrendered shall be a credit toward the fee charged for the new plate of the proper category. Provided, that the owner shall not be entitled to a cash refund when the registration fee for the vehicle to which the plates are to be assigned is less than the registration fee for that vehicle to which the license plates were last assigned. ~~Provided, however, registration plates may not be transferred under this section after December 31 of the year for which issued.~~ An owner assigning or transferring plates to another vehicle as provided herein shall be subject to the same assessments and penalties for use of the plates on another vehicle or for improper use of the plates, as he could have been for the use of the plates on the vehicle to which last assigned. Provided, however, that upon compliance with the requirements of this section, the registration plates of vehicles

1 owned by and registered in the name of a corporation may be transferred and assigned to
 2 a like vehicle category within the meaning of G.S. 20-87 and 20-88, upon the showing
 3 that the vehicle to which the transfer and assignment is to be made is owned by a
 4 corporation which is a wholly owned subsidiary of the corporation applying for such
 5 transfer and assignment."

6 **SECTION 2.** G.S. 20-66(g) reads as rewritten:

7 "(g) When Renewal Sticker Expires. – The registration of a vehicle that is renewed
 8 by means of a registration renewal sticker expires at midnight on the last day of the
 9 month designated on the sticker. It is lawful, however, to operate the vehicle on a
 10 highway until midnight on the fifteenth day of the month following the month in which
 11 the sticker expired if the vehicle is not registered under the International Registration
 12 Plan. If the vehicle is registered under the International Registration Plan, it is not lawful
 13 to operate the vehicle on a highway after the sticker expires. expired.

14 The Division may vary the expiration dates of registration renewal stickers issued for
 15 a type of vehicle so that an approximately equal number expires at the end of each
 16 month, quarter, or other period consisting of one or more months. When the Division
 17 implements registration renewal for a type of vehicle by means of a renewal sticker, it
 18 may issue a registration renewal sticker that expires at the end of any monthly interval
 19 beginning at nine months and ending at eighteen months interval."

20 **SECTION 3.** G.S. 20-66(h) is repealed.

21 **SECTION 4.** G.S. 20-79 reads as rewritten:

22 "§ 20-79. Dealer license plates.

23 (a) How to Get a Dealer Plate. – A dealer licensed under Article 12 of this
 24 Chapter may obtain a dealer license plate by filing an application with the Division and
 25 paying the required fee. An application must be filed on a form provided by the
 26 Division. The required fee is the amount set by G.S. 20-87(7).

27 (b) Number of Plates. – A dealer who was licensed under Article 12 of this
 28 Chapter for the previous 12-month period ending ~~April 30~~ December 31 may obtain the
 29 number of dealer license plates allowed by the following table; the number allowed is
 30 based on the number of motor vehicles the dealer sold during the relevant 12-month
 31 period and the average number of qualifying sales representatives the dealer employed
 32 during that same 12-month period:

| <u>Vehicles Sold In Relevant</u> | <u>Maximum Number of Plates</u> |
|----------------------------------|--|
| <u>12-Month Period</u> | |
| Fewer than 12 | 1 |
| At least 12 but less than 25 | 4 |
| At least 25 but less than 37 | 5 |
| At least 37 but less than 49 | 6 |
| 49 or more | At least 6, but no more than 4 times the average number of qualifying sales representatives employed by the dealer during the relevant 12-month period. |

43 A dealer who was not licensed under Article 12 of this Chapter for part or all of the
 44 previous 12-month period ending ~~April 30~~ December 31 may obtain the number of

1 dealer license plates that equals four times the number of qualifying sales representatives
2 employed by the dealer on the date the dealer files the application. A "qualifying sales
3 representative" is a sales representative who works for the dealer at least 25 hours a
4 week on a regular basis and is compensated by the dealer for this work.

5 A dealer who sold fewer than 49 motor vehicles the previous 12-month period
6 ending ~~April 30-December 31~~ but has sold at least that number since ~~May 1-January 1~~
7 may apply for additional dealer license plates at any time. The maximum number of
8 dealer license plates the dealer may obtain is the number the dealer could have obtained
9 if the dealer had sold at least 49 motor vehicles in the previous 12-month period ending
10 ~~April 30-December 31~~.

11 A dealer who applies for a dealer license plate must certify to the Division the
12 number of motor vehicles the dealer sold in the relevant period. Making a material
13 misstatement in an application for a dealer license plate is grounds for the denial,
14 suspension, or revocation of a dealer's license under G.S. 20-294.

15 A dealer engaged in the alteration and sale of specialty vehicles may apply for up to
16 two dealer plates in addition to the number of dealer plates that the dealer would
17 otherwise be entitled to under this section.

18 (c) Form and Duration. – A dealer license plate is subject to G.S. 20-63, except
19 for the requirement that the plate display the registration number of a motor vehicle and
20 the requirement that the plate be a "First in Flight" plate. In addition, a dealer license
21 plate must have a distinguishing symbol identifying the plate as a dealer license plate.

22 A dealer license plate is issued for a ~~fiscal year beginning July 1 and ending June 30.~~
23 ~~period of one year. During the fiscal year for which it is issued, a dealer may transfer a~~
24 ~~dealer license plate from one vehicle to another. The Division shall vary the expiration~~
25 ~~dates of dealer registration renewals so that an approximately equal number expires at~~
26 ~~the end of each month, quarter, or other period consisting of one or more months. A~~
27 ~~dealer may transfer a dealer license plate from one vehicle to another. When the~~
28 ~~Division issues a dealer plate, it may issue a registration that expires at the end of any~~
29 ~~monthly interval.~~ When one of the following occurs, a dealer must surrender to the
30 Division all dealer license plates issued to the dealer:

- 31 (1) The dealer surrenders the license issued to the dealer under Article 12
32 of this Chapter.
- 33 (2) The Division suspends or revokes the license issued to the dealer under
34 Article 12 of this Chapter.
- 35 (3) The Division rescinds the dealer license plates because of a violation of
36 the restrictions on the use of a dealer license plate.

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

39 (d) Restrictions on Use. – A dealer license plate may be displayed only on a
40 motor vehicle that meets all of the following requirements:

- 41 (1) Is part of the inventory of the dealer.
- 42 (2) Is not consigned to the dealer.
- 43 (3) Is covered by liability insurance that meets the requirements of Article
44 9A of this Chapter.

- 1 (4) Is not used by the dealer in another business in which the dealer is
2 engaged.
- 3 (5) Is driven on a highway by a person who carries a copy of the
4 registration card for the dealer plates issued to the dealer while driving
5 the motor vehicle and who meets one of the following descriptions:
- 6 a. Has a demonstration permit to test-drive the motor vehicle and
7 carries the demonstration permit while driving the motor
8 vehicle.
- 9 b. Is an officer or sales representative of the dealer and is driving
10 the vehicle for a business purpose of the dealer.
- 11 c. Is an employee of the dealer and is driving the vehicle in the
12 course of employment.

13 A dealer may issue a demonstration permit for a motor vehicle to a person licensed
14 to drive that type of motor vehicle. A demonstration permit authorizes each person
15 named in the permit to drive the motor vehicle described in the permit for up to 96 hours
16 after the time the permit is issued. A dealer may, for good cause, renew a demonstration
17 permit for one additional 96-hour period.

18 A dealer may not lend, rent, lease, or otherwise place a dealer license plate at the
19 disposal of a person except as authorized by this subsection.

20 (e) Sanctions. – The following sanctions apply when a motor vehicle displaying a
21 dealer license plate is driven in violation of the restrictions on the use of the plate:

- 22 (1) The individual driving the motor vehicle is responsible for an
23 infraction and is subject to a penalty of fifty dollars (\$50.00).
- 24 (2) The dealer to whom the plate is issued is subject to a civil penalty
25 imposed by the Division of two hundred dollars (\$200.00).
- 26 (3) The Division may rescind all dealer license plates issued to the dealer
27 whose plate was displayed on the motor vehicle.

28 A penalty imposed under subdivision (1) of this subsection is payable to the county
29 where the infraction occurred, as required by G.S. 14-3.1. A civil penalty imposed under
30 subdivision (2) of this subsection shall be credited to the Highway Fund as nontax
31 revenue.

32 (f) Transfer of Dealer Registration. – No change in the name of a firm,
33 partnership or corporation, nor the taking in of a new partner, nor the withdrawal of one
34 or more of the firm, shall be considered a new business; but if any one or more of the
35 partners remain in the firm, or if there is change in ownership of less than a majority of
36 the stock, if a corporation, the business shall be regarded as continuing and the dealers'
37 plates originally issued may continue to be used."

38 **SECTION 5.** G.S. 20-87 reads as rewritten:

39 **"§ 20-87. Passenger vehicle registration fees.**

40 These fees shall be paid to the Division ~~annually, as of the first day of January,~~
41 annually for the registration and licensing of passenger vehicles, ~~fees~~ according to the
42 following classifications and schedules:

- 43 (1) For-Hire Passenger Vehicles. – The fee for a passenger vehicle that is
44 operated for compensation and has a capacity of 15 passengers or less

is seventy-eight dollars (\$78.00). The fee for a passenger vehicle that is operated for compensation and has a capacity of more than 15 passengers is one dollar and forty cents (\$1.40) per hundred pounds of empty weight of the vehicle.

(2) U-Drive-It Vehicles. – U-drive-it vehicles shall pay the following tax:

| | | |
|-------------------------|------------------------------|------------------------|
| Motorcycles: | 1-passenger capacity | \$18.00 |
| | 2-passenger capacity | 22.00 |
| | 3-passenger capacity | 26.00 |
| Automobiles: | 15 or fewer passengers | \$41.00 |
| Buses: | 16 or more passengers | \$1.40 |
| | | per hundred |
| | | pounds of empty weight |
| Trucks under 7,000 | | |
| pounds that do not haul | | |
| products for hire: | 4,000 pounds | \$41.50 |
| | 5,000 pounds | \$51.00 |
| | 6,000 pounds | \$61.00. |

(3) Repealed by Session Laws 1981, c. 976, s. 3.

(4) Limousine Vehicles. – For-hire passenger vehicles on call or demand which do not solicit passengers indiscriminately for hire between points along streets or highways, shall be taxed at the same rate as for-hire passenger vehicles under G.S. 20-87(1) but shall be issued appropriate registration plates to distinguish such vehicles from taxicabs.

(5) Private Passenger Vehicles. – There shall be paid to the Division annually, as of the first day of January, for the registration and licensing of private passenger vehicles, fees according to the following classifications and schedules:

| | |
|---|---------|
| Private passenger vehicles of not more than fifteen passengers .. | \$20.00 |
| Private passenger vehicles over fifteen passengers..... | 23.00 |

Provided, that a fee of only one dollar (\$1.00) shall be charged for any vehicle given by the federal government to any veteran on account of any disability suffered during war so long as such vehicle is owned by the original donee or other veteran entitled to receive such gift under Title 38, section 252, United States Code Annotated.

(6) Private Motorcycles. – The base fee on private passenger motorcycles shall be nine dollars (\$9.00); except that when a motorcycle is equipped with an additional form of device designed to transport persons or property, the base fee shall be sixteen dollars (\$16.00). An additional fee of three dollars (\$3.00) is imposed on each private motorcycle registered under this subdivision in addition to the base fee. The revenue from the additional fee, in addition to any other funds appropriated for this purpose, shall be used to fund the Motorcycle Safety Instruction Program created in G.S. 115D-72.

- 1 (7) Dealer License Plates. – The fee for a dealer license plate is the regular
2 fee for each of the first five plates issued to the same dealer and is
3 one-half the regular fee for each additional dealer license plate issued
4 to the same dealer. The "regular fee" is the fee set in subdivision (5) of
5 this section for a private passenger motor vehicle of not more than 15
6 passengers.
- 7 (8) Driveaway Companies. – Any person engaged in the business of
8 driving new motor vehicles from the place of manufacture to the place
9 of sale in this State for compensation shall pay a fee of one-half of the
10 amount that would otherwise be payable under this section for each set
11 of plates.
- 12 (9) House Trailers. – In lieu of other registration and license fees levied on
13 house trailers under this section or G.S. 20-88, the registration and
14 license fee on house trailers shall be seven dollars (\$7.00) for the
15 license year or any portion thereof.
- 16 (10) Special Mobile Equipment. – The fee for special mobile equipment for
17 the license year or any part of the license year is two times the fee in
18 subdivision (5) for a private passenger motor vehicle of not more than
19 15 passengers.
- 20 (11) Any vehicle fee determined under this section according to the weight
21 of the vehicle shall be increased by the sum of three dollars (\$3.00) to
22 arrive at the total fee.
- 23 (12) Low-Speed Vehicles. – The fee for a low-speed vehicle is the same as
24 the fee for private passengers vehicles of not more than 15 passengers."

25 **SECTION 6.** G.S. 20-88(b)(6) reads as rewritten:

26 "(6) There shall be paid to the Division annually ~~as of the first of January,~~
27 the following fees for "wreckers" as defined under G.S. 20-4.01(50): a
28 wrecker fully equipped weighing 7,000 pounds or less, seventy-five
29 dollars (\$75.00); wreckers weighing in excess of 7,000 pounds shall
30 pay one hundred forty-eight dollars (\$148.00). Fees to be prorated
31 ~~quarterly.~~ monthly. Provided, further, that nothing herein shall prohibit
32 a licensed dealer from using a dealer's license plate to tow a vehicle for
33 a customer."

34 **SECTION 7.** G.S. 20-88(c) reads as rewritten:

35 "(c) The fee for a semitrailer or trailer is ten dollars (\$10.00) for each year or part
36 of a year. The fee is payable ~~on or before January 1 of each year.~~ Upon the application
37 of the owner of a semitrailer or trailer, the Division may issue a multiyear plate and
38 registration card for the semitrailer or trailer for a fee of seventy-five dollars (\$75.00). A
39 multiyear plate and registration card for a semitrailer or trailer are valid until the owner
40 transfers the semitrailer or trailer to another person or surrenders the plate and
41 registration card to the Division. A multiyear plate may not be transferred to another
42 vehicle.

1 The Division shall issue a multiyear semitrailer or trailer plate in a different color
2 than an annual semitrailer or trailer plate and shall include the word "multiyear" on the
3 plate. The Division may not issue a multiyear plate for a house trailer."

4 **SECTION 8.** G.S. 20-94 reads as rewritten:

5 "**§ 20-94. Partial payments.**

6 In the purchase of licenses, where the gross amount of the license fee to any one
7 owner amounts to more than four hundred dollars (\$400.00), half of such payment may,
8 if the Commissioner is satisfied of the financial responsibility of such owner, be deferred
9 until ~~June 1~~ six months from the month of renewal in any calendar year upon the
10 execution to the Commissioner of a draft upon any bank or trust company upon forms to
11 be provided by the Commissioner in an amount equivalent to one half of such fee, plus a
12 carrying charge of three percent (3%) of the deferred portion of the license fee:
13 Provided, that any person using any tag so purchased after the first day of ~~June six~~
14 months from the month of renewal in any such year without having first provided for the
15 payment of such draft, shall be guilty of a Class 2 misdemeanor. No further license
16 plates shall be issued to any person executing such a draft after the due date of any such
17 draft so long as such draft or any portion thereof remains unpaid. Any such draft being
18 dishonored and not paid shall be subject to the penalties prescribed in G.S. 20-178 and
19 shall be immediately turned over by the Commissioner to his duly authorized agents
20 and/or the State Highway Patrol, to the end that this provision may be enforced. When
21 the owner of the vehicles for which a draft has been given sells or transfers ownership to
22 all vehicles covered by the draft, such draft shall become payable immediately, and such
23 vehicles shall not be transferred by the Division until the draft has been paid. Any one
24 owner whose gross license fee amounts to more than two hundred dollars (\$200.00) but
25 not more than four hundred dollars (\$400.00) may also be permitted to sign a draft in
26 accordance with the foregoing provisions of this section provided such owner makes
27 application for the draft ~~on or before February 1 during the license renewal period.~~
28 month of renewal."

29 **SECTION 9.** G.S. 20-288(c) reads as rewritten:

30 "(c) All licenses that are granted shall expire one year from the date issued unless
31 ~~sooner revoked or suspended, on June 30 of the year following date of issue.~~ suspended."

32 **SECTION 10.** This act becomes effective January 1, 2005.