

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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SENATE BILL 777

Short Title: Amend Dealer Licensing Law. (Public)

Sponsors: Senators Foxx, Hoyle, Sloan; Apodaca, Berger, Carpenter, Forrester, Garwood, Kerr, Metcalf, Moore, Rucho, and Shaw.

Referred to: Commerce.

April 3, 2003

A BILL TO BE ENTITLED

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.

- 1 5. Primarily engages in the leasing or renting of motor
2 vehicles to others and sells or offers to sell those vehicles
3 at retail.
- 4 b. The term "motor vehicle dealer" or "dealer" does not include
5 any of 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.

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

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

6 "(d) To obtain a license as a wholesaler, an applicant who intends to sell or
7 distribute self-propelled vehicles must have an established office in this State, and an
8 applicant who intends to sell or distribute only trailers or semitrailers of ~~less-~~more than
9 2500 pounds unloaded weight must have a place of business in this State where the
10 records required under this Article are kept.

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

16 An applicant for a license as a manufacturer, a factory branch, a distributor, a
17 distributor branch, a wholesaler, or a motor vehicle dealer must have a separate license
18 for each established office, established salesroom, or other place of business in this
19 State. An application for any of these licenses shall include a list of the applicant's
20 places of business in this State. An applicant for a license as a manufacturer, a factory
21 branch, a distributor, a distributor branch, a wholesaler, or a motor vehicle dealer may
22 elect, at the time of application or renewal, to consolidate the renewal of these licenses
23 for each established office, established showroom, or other place of business in this
24 State held in the name of one person or entity."

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