

§ 20-287. Licenses required; penalties.

(a) License Required. – It shall be unlawful for any new motor vehicle dealer, used motor vehicle dealer, motor vehicle sales representative, manufacturer, factory branch, factory representative, distributor, distributor branch, distributor representative, or wholesaler to engage in business in this State without first obtaining a license as provided in this Article. If any motor vehicle dealer acts as a motor vehicle sales representative, the dealer shall obtain a motor vehicle sales representative's license in addition to a motor vehicle dealer's license. The sales representative license shall show the name of each dealer or wholesaler employing the sales representative. An individual who has submitted an application to the Division for a sales representative license pursuant to G.S. 20-288(a) may engage in activities as a sales representative while the application is pending under the following conditions: (i) the sales representative applicant is actively and directly supervised by a licensed motor vehicle dealer or a licensed sales representative designated by the dealer, (ii) the applicant certifies in the application that the applicant has not been previously denied a sales representative license for any dealer by the Division on nonprocedural grounds, and (iii) the applicant has not been previously convicted of a felony. Any license issued by the Division to a motor vehicle dealer, manufacturer, factory branch, factory representative, distributor, distributor branch, distributor representative, or wholesaler under this Article may not be assigned, sold, or otherwise transferred to any other person or entity.

(b) Civil Penalty for Violations by Licensee. – In addition to any other punishment or remedy under the law for any violation of this section, the Division may levy and collect a civil penalty, in an amount not to exceed one thousand dollars (\$1,000) for each violation, against any person who has obtained a license pursuant to this section, or is an applicant for a license under this section, if it finds that the person has violated any of the provisions of G.S. 20-285 through G.S. 20-303, Article 15 of this Chapter, or any statute or rule adopted by the Division relating to the sale of vehicles, vehicle titling, or vehicle registration. If the Division finds that a sales representative applicant has violated any of these provisions, the penalty shall be assessed against the applicant unless the Division finds that a dealership owner, manager, or officer had knowledge of the violation before the application was submitted to the Division.

(c) Civil Penalty for Violations by Person Without a License. – In addition to any other punishment or remedy under the law for any violation of this section, the Division may levy and collect a civil penalty, in an amount not to exceed five thousand dollars (\$5,000) for each violation, against any person who is required to obtain a license under this section and has not obtained the license, if it finds that the person has violated any of the provisions of G.S. 20-285 through G.S. 20-303, Article 15 of this Chapter, or any statute or rule adopted by the Division relating to the sale of vehicles, vehicle titling, or vehicle registration. (1955, c. 1243, s. 3; 1991, c. 662, s. 2; 2001-345, s. 1; 2005-99, s. 1; 2019-181, s. 1; 2021-134, s. 1.1.)