

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1095*

Short Title: Dealer Plate For Business Only.

(Public)

Sponsors: Representatives Gamble; Hensley and Hill.

Referred to: Transportation, if favorable, Judiciary I.

April 21, 1997

A BILL TO BE ENTITLED

AN ACT TO ENSURE THAT DEALER PLATES ARE USED ONLY ON VEHICLES
DRIVEN FOR A BUSINESS PURPOSE OF THE DEALERSHIP.

The General Assembly of North Carolina enacts:

Section 1. G.S. 20-79 reads as rewritten:

"§ 20-79. Dealer license plates.

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

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

Vehicles Sold In Relevant
12-Month Period

Maximum Number of Plates

Fewer than 12

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1	At least 12 but less than 25	4
2	At least 25 but less than 37	5
3	At least 37 but less than 49	6
4	49 or more	At least 6, but no more than 4 times the average
5		number of qualifying sales representatives
6		employed by the dealer during the relevant 12-
7		month period.

8 A dealer who was not licensed under Article 12 of this Chapter for part or all of the
 9 previous 12-month period ending April 30 may obtain the number of dealer license plates
 10 that equals four times the number of qualifying sales representatives employed by the
 11 dealer on the date the dealer files the application. A 'qualifying sales representative' is a
 12 sales representative who works for the dealer at least 25 hours a week on a regular basis
 13 and is compensated by the dealer for this work.

14 A dealer who sold fewer than 49 motor vehicles the previous 12-month period ending
 15 April 30 but has sold at least that number since May 1 may apply for additional dealer
 16 license plates at any time. The maximum number of dealer license plates the dealer may
 17 obtain is the number the dealer could have obtained if the dealer had sold at least 49
 18 motor vehicles in the previous 12-month period ending April 30.

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

23 (c) Form and Duration. – A dealer license plate is subject to G.S. 20-63, except for
 24 the requirement that the plate display the registration number of a motor vehicle and the
 25 requirement that the plate be a "First in Flight" plate. In addition, a dealer license plate
 26 must have a distinguishing symbol identifying the plate as a dealer license plate. A
 27 dealer license plate must be attached to a vehicle by a means that enables the plate to be
 28 removed readily and cannot be attached by screws or another similar means.

29 A dealer license plate is issued for a fiscal year beginning July 1 and ending June 30.
 30 During the fiscal year for which it is issued, a dealer may transfer a dealer license plate
 31 from one vehicle to another. When one of the following occurs, a dealer must surrender
 32 to the Division all dealer license plates issued to the dealer:

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

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

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

- 43 (1) Is part of the inventory of the dealer.

- 1 (2) Is not consigned to the dealer.
2 (3) Is covered by liability insurance that meets the requirements of Article
3 9A of this Chapter.
4 (4) Is not used by the dealer in another business in which the dealer is
5 engaged.
6 (5) Is driven on a highway by a person who ~~meets the following requirements~~
7 ~~and who carries a copy of the registration card for the dealer plates~~
8 ~~issued to the dealer and any demonstration permit issued to that person~~
9 ~~while driving the motor vehicle:~~ vehicle and who meets one of the
10 following descriptions:
11 a. ~~Is an officer of the dealer, an employee of the dealer, or a person~~
12 ~~to whom the dealer has issued a demonstration permit.~~
13 b. ~~Is at least 18 years old unless the person is test driving the~~
14 ~~vehicle and has a demonstration permit or is an employee of the~~
15 ~~dealer and regularly works for the dealer at least 15 hours a~~
16 ~~week.~~
17 a. Has a demonstration permit to test-drive the motor vehicle and
18 carries the demonstration permit while driving the motor vehicle.
19 b. Is an officer of the dealer and is driving the vehicle for a business
20 purpose of the dealer.
21 c. Is an employee of the dealer and is driving the vehicle in the
22 course of employment.

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

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

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

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

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

42 (f) Transfer of Dealer Registration. – No change in the name of a firm, partnership
43 or corporation, nor the taking in of a new partner, nor the withdrawal of one or more of

1 the firm, shall be considered a new business; but if any one or more of the partners
2 remain in the firm, or if there is change in ownership of less than a majority of the stock,
3 if a corporation, the business shall be regarded as continuing and the dealers' plates
4 originally issued may continue to be used."

5 Section 2. This act becomes effective July 1, 1997.