

GENERAL ASSEMBLY OF NORTH CAROLINA
1997 SESSION

S.L. 1997-327
SENATE BILL 894

AN ACT TO PROVIDE THAT DEALERS HAVE TEN WORKING DAYS TO SEND
MOTOR VEHICLE FEES TO THE STATE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 20-79.1(d) reads as rewritten:

~~"(d) A dealer shall not issue, assign, transfer, or deliver temporary registration plates or markers to anyone other than a bona fide purchaser or owner of a vehicle being sold by such dealer, nor shall a dealer issue a temporary registration plate or marker without first obtaining from said purchaser or owner a written application for the titling and registration of the purchased vehicle with the prescribed fees therefor, which application and fees the said dealer shall immediately forward to the Division by mail or messenger or by messenger to a local license agency; nor shall a dealer issue a temporary registration plate to anyone purchasing a vehicle that has unexpired registration plates, which registration plates are to be transferred to such purchaser; nor shall a dealer lend to anyone or use on any vehicle that he may own, temporary registration plates or markers: Provided that dealers are hereby authorized to issue temporary markers to nonresidents for the purpose of removing a vehicle purchased in this State, without collecting a registration fee or requiring an application for titling and registration. It shall be unlawful for any person to issue any temporary registration plate or marker containing any misstatement of fact or knowingly insert any false information upon the face thereof.~~

(d) A dealer shall:

- (1) Not issue, assign, transfer, or deliver temporary registration plates or markers to anyone other than a bona fide purchaser or owner of a vehicle which he has sold.
- (2) Not issue a temporary registration plate or marker without first obtaining from the purchaser or owner a written application for titling and registration of the vehicle and the applicable fees.
- (3) Within 10 working days, mail or deliver the application and fees to the Division or deliver the application and fees to a local license agency for processing. Delivery need not be made if the contract for sale has been rescinded in writing by all parties to the contract.
- (4) Not deliver a temporary registration plate to anyone purchasing a vehicle that has an unexpired registration plate that is to be transferred to the purchaser.

- (5) Not lend to anyone, or use on any vehicle that he may own, any temporary registration plates or markers.

A dealer may issue temporary markers, without obtaining the written application for titling and registration or collecting the applicable fees, to nonresidents for the purpose of removing the vehicle from the State."

Section 2. G.S. 20-79.1(e) reads as rewritten:

"(e) Every dealer who issues temporary plates or markers shall ~~insert~~ write clearly and indelibly on the face of ~~each~~ the temporary registration plate or ~~marker~~ marker:

- (1) ~~the date~~ The dates of issuance and ~~expiration,~~ expiration;
- (2) ~~the~~ The make, motor number, and serial numbers of the ~~vehicle for which issued and~~ vehicle; and
- (3) ~~such~~ Any other information ~~as~~ that the Division may require.

It shall be unlawful for any person to issue a temporary registration plate or marker containing any misstatement of fact or to knowingly write any false information on the face of the plate or marker."

Section 2.1. G.S. 20-75 reads as rewritten:

"§ 20-75. When transferee is dealer or insurance company.

When the transferee of a vehicle registered under this Article ~~is~~ is:

- (1) ~~a~~ A dealer who is licensed under Article 12 of this Chapter and who holds the vehicle for ~~resale or is an~~ resale; or
- (2) An insurance company taking ~~such~~ the vehicle for sale or disposal for salvage purposes where ~~such~~ the title is taken as a part of a bona fide claim settlement transaction and only for the purpose of resale,

~~such~~ the transferee shall not be required to register ~~such~~ the vehicle nor forward the certificate of title to the Division as provided in G.S. 20-73.

To assign or transfer title or interest in the vehicle, the dealer or insurance company shall ~~execute~~ execute, in the presence of a person authorized to administer ~~oaths~~ oaths, a reassignment and warranty of title on the reverse of the certificate of title in the form approved by the Division, ~~including which shall include in such reassignment~~ the name and address of the ~~transferee, and~~ transferee. The title to ~~such~~ the vehicle shall not pass or vest until ~~such~~ the reassignment is executed and the motor vehicle delivered to the transferee.

The dealer transferring title or interest in a motor vehicle shall deliver the certificate of title duly assigned in accordance with the foregoing provision to the transferee at the time of delivering the vehicle, ~~except~~ except:

- (1) ~~that where~~ Where a security interest in the motor vehicle is obtained from the transferee in payment of the purchase price or otherwise, the dealer shall deliver the certificate of title to the lienholder and the lienholder shall forward the certificate of title together with the transferee's application for new certificate of title and necessary fees to the Division within ~~20 days~~ days; or
- (2) Where the transferee has the option of cancelling the transfer of the vehicle within 10 days of delivery of the vehicle, the dealer shall deliver the certificate of title to the transferee at the end of that period.

Delivery need not be made if the contract for sale has been rescinded in writing by all parties to the contract.

Any person who delivers or accepts a certificate of title assigned in blank shall be guilty of a Class 2 misdemeanor.

The title to a salvage vehicle shall be forwarded to the Division as provided in G.S. 20-109.1."

Section 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 14th day of July, 1997.

s/ Dennis A. Wicker
President of the Senate

s/ Harold J. Brubaker
Speaker of the House of Representatives

s/ James B. Hunt, Jr.
Governor

Approved 10:50 a.m. this 25th day of July, 1997