#### **SESSION 1993**

## SENATE BILL 162 Transportation Committee Substitute Adopted 3/25/93 Finance Committee Substitute #2 Adopted 4/14/93 House Committee Substitute Favorable 6/17/93 Fifth Edition Engrossed 7/9/93

Short Title: Dealer Plate/License Changes.

Sponsors:

Referred to:

February 15, 1993

1	A BILL TO BE ENTITLED
2	AN ACT TO LIMIT THE NUMBER OF MOTOR VEHICLE DEALER LICENSE
3	PLATES THAT CAN BE ISSUED TO THE SAME DEALER, TO MODIFY THE
4	SANCTIONS FOR MISUSE OF A DEALER LICENSE PLATE, TO EXPAND
5	THE USE OF TRANSPORTER PLATES, TO ESTABLISH A SPECIAL SPORTS
6	EVENT TEMPORARY PLATE, AND TO CHANGE THE FEES FOR DEALER
7	PLATES AND TRANSPORTER PLATES.
8	The General Assembly of North Carolina enacts:
9	Section. 1. G.S. 20-295 reads as rewritten:
10	"§ 20-295. Time to act upon applications; refusal of license; notice; hearing. Action
10 11	"§ 20-295. Time to act upon applications; refusal of license; notice; hearing. <u>Action</u> on application.
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11	on application.
11 12	on application. The Division shall act upon all applications either grant or deny an application for a
11 12 13	<u>on application.</u> The Division shall act upon all applications-either grant or deny an application for a license within 30 days after receipt thereof, by either granting or refusing the same.
11 12 13 14	<u>on application.</u> The Division shall act upon all applications either grant or deny an application for a license within 30 days after receipt thereof, by either granting or refusing the same. receiving it. Any applicant denied a license shall, upon his filing a written request filed
11 12 13 14 15	<u>on application.</u> The Division shall act upon all applications either grant or deny an application for a license within 30 days after receipt thereof, by either granting or refusing the same. receiving it. Any applicant denied a license shall, upon his-filing a written request filed within 30 days, be given a hearing at such the time and place as determined by the Commissioner, or person designated by him. All such hearings Commissioner or a person designated by the Commissioner. A hearing shall be public and shall be held with
11 12 13 14 15 16	<u>on application.</u> The Division shall act upon all applications either grant or deny an application for a license within 30 days after receipt thereof, by either granting or refusing the same. receiving it. Any applicant denied a license shall, upon his filing a written request filed within 30 days, be given a hearing at such the time and place as determined by the Commissioner, or person designated by him. All such hearings Commissioner or a person

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1 anyone else apply for a license for such premises, for which a license was denied, until the 2 expiration of 60 days from the date of the rejection of such application." Sec. 2. G.S. 20-79 reads as rewritten: 3 4 "§ 20-79. Registration by manufacturers and dealers. Dealer license plates. 5 How To Get a Dealer Plate. - Every manufacturer of or dealer in motor (a) 6 vehicles, trailers or semitrailers shall apply to the Motor Vehicle Division for a license 7 as such upon official forms and shall in his application give the name of the manufacturer or dealer and his bona fide address of each partner; if a corporation, the 8 9 name of the corporation and the state of incorporation; the bona fide address of the place of business; whether a dealer in new vehicles or in used vehicles and shall state 10 11 how long in business. Upon receipt of said application the Division shall upon the 12 payment of fees as required by law issue a license to such applicant, together with 13 number plates, which plates shall bear thereon a distinctive number, the name of this 14 State, which may be abbreviated, the year for which issued, together with the word dealer or a distinguishing symbol indicating that such plate or plates are issued to a 15 16 dealer. The plates so issued may during the year for which issued be transferred from one vehicle to another owned and operated by such manufacturer or dealer. 17 18 Dealer and manufacturer plates shall after June 30, 1980, be issued on a fiscal year 19 basis beginning July 1, and plates issued for fiscal year beginning July 1 shall expire on 20 June 30 following the date of issuance. 21 Any person to whom license and number plates are issued under the provisions of 22 this subsection upon discontinuing business as a dealer or manufacturer shall forthwith 23 surrender to the Division license and all number plates so issued to him. 24 No person, firm, or corporation shall engage in the business of buying, selling, 25 distributing or exchanging motor vehicles, trailers or semitrailers in this State unless he 26 or it qualifies for and obtains the license required by this section. 27 Any person, firm, or corporation violating any provision of this subsection shall be 28 guilty of a misdemeanor and for each offense shall be fined not less than one hundred 29 dollars (\$100.00) nor more than one thousand dollars (\$1,000) and may be imprisoned 30 for not more than 60 days, or both such fine and imprisonment. 31 A dealer licensed under Article 12 of this Chapter may obtain a dealer license plate 32 by filing an application with the Division and paying the required fee. An application 33 must be filed on a form provided by the Division. The required fee is the amount set by 34 G.S. 20-87(7). 35 Number of Plates. - Every manufacturer of or dealer in motor vehicles shall (b)obtain and have in his possession a certificate of title issued by the Division to such 36 37 manufacturer or dealer of each vehicle owned and operated upon the highways by such 38 manufacturer or dealer, except that a certificate of title shall not be required or issued 39 for any new vehicle to be sold as such by a manufacturer or dealer prior to the sale of such vehicle by the manufacturer or dealer; and except that any dealer or any employee 40 of any dealer may operate any motor vehicle, trailer or semitrailer, the property of the 41 42 dealer, for the purpose of furthering the business interest of the dealer in the sale, 43 demonstration and servicing of motor vehicles, trailers and semitrailers, of collecting 44 accounts, contacting prospective customers and generally carrying out routine business

necessary for conducting a general motor vehicle sales business: Provided, that no use 1 2 shall be made of dealer's demonstration plates on vehicles operated in any other 3 business dealers may be engaged in: Provided further, that dealers may allow the operation of motor vehicles owned by dealers and displaying dealer's demonstration 4 5 plates in the personal use of persons other than those employed in the dealer's business: 6 Provided further, that said persons shall, at all times while operating a motor vehicle 7 under the provisions of this section, have in their possession a certificate on such form 8 as approved by the Commissioner from the dealer, which shall be valid for not more 9 than 96 hours. This certificate may be renewed for one additional 96-hour period. 10 pursuant to rules and regulations promulgated by the Commissioner. A dealer who was licensed under Article 12 of this Chapter for the previous 12-month period ending April 11 12 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 13 14 relevant 12-month period and the average number of qualifying sales representatives the 15 dealer employed during that same 12-month period: 16 17 Vehicles Sold In Relevant Maximum Number of Plates 18 12-Month Period Fewer than 12 19 1 At least 12 but less than 25 20 <u>4</u> 5 At least 25 but less than 37 21 6 At least 37 but less than 49 22 23 49 or more At least 6, but no more than 4 times the average 24 number of qualifying sales representatives 25 employed by the dealer during the relevant 12-26 month period. 27 28 A dealer who was not licensed under Article 12 of this Chapter for part or all of the 29 previous 12-month period ending April 30 may obtain the number of dealer license 30 plates that equals four times the number of qualifying sales representatives employed by the dealer on the date the dealer files the application. A 'qualifying sales representative' 31 32 is a sales representative who works for the dealer at least 25 hours a week on a regular basis and is compensated by the dealer for this work. 33 A dealer who sold fewer than 49 motor vehicles the previous 12-month period 34 ending April 30 but has sold at least that number since May 1 may apply for additional 35 dealer license plates at any time. The maximum number of dealer license plates the 36 37 dealer may obtain is the number the dealer could have obtained if the dealer had sold at 38 least 49 motor vehicles in the previous 12-month period ending April 30. A dealer who applies for a dealer license plate must certify to the Division the 39 number of motor vehicles the dealer sold in the relevant period. Making a material 40 41 misstatement in an application for a dealer license plate is grounds for the denial, 42 suspension, or revocation of a dealer's license under G.S. 20-294. Form and Duration. -No manufacturer of or dealer in motor vehicles, trailers 43 (c)or semitrailers shall cause or permit any such vehicle owned by such person to be 44

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1	operated or mo	ved upon a public highway without there being displayed upon such
2	-	er plate or plates issued to such person, either under G.S. 20-63 or under
3	this section. A	dealer license plate is subject to G.S. 20-63, except for the requirement
4		play the registration number of a motor vehicle and the requirement that
5		First in Flight' plate. In addition, a dealer license plate must have a
6		ymbol identifying the plate as a dealer license plate.
7		nse plate is issued for a fiscal year beginning July 1 and ending June 30.
8		l year for which it is issued, a dealer may transfer a dealer license plate
9		e to another. When one of the following occurs, a dealer must surrender
10		Ill dealer license plates issued to the dealer:
11	(1)	The dealer surrenders the license issued to the dealer under Article 12
12	<u> </u>	of this Chapter.
13	<u>(2)</u>	The Division suspends or revokes the license issued to the dealer under
14		Article 12 of this Chapter.
15	<u>(3)</u>	The Division rescinds the dealer license plates because of a violation
16		of the restrictions on the use of a dealer license plate.
17	To obtain a deal	er license plate after it has been surrendered, the dealer must file a new
18	application for a	dealer license plate and pay the required fee for the plate.
19	(d) <u>Restri</u>	ctions on Use Dealer's license plates may be used on motor vehicles
20	owned by, or a	assigned to, duly licensed motor vehicle dealers of this State when
21	operated on the	highways of this State by the dealer, corporate officers of the dealership,
22	salespersons or	full-time employees of the dealership, and any designated part-time
23	employees of th	e dealership; provided, the vehicle is subject to the proof of financial
24	responsibility re	equirements of Article 9A of this Chapter. A dealership owner who
25	desires to use de	aler's license plates as herein provided shall make application on a form
26	provided by the	Division of Motor Vehicles and pay the annual amount set in G.S. 20-
27	87(7). <u>A dealer</u>	license plate may be displayed only on a motor vehicle that meets all of
28	the following real	quirements:
29	<u>(1)</u>	Is part of the inventory of the dealer.
30	<u>(2)</u>	Is not consigned to the dealer.
31	<u>(3)</u>	Is covered by liability insurance that meets the requirements of Article
32		9A of this Chapter.
33	<u>(4)</u>	Is not used by the dealer in another business in which the dealer is
34		engaged.
35	<u>(5)</u>	Is driven on a highway by a person who meets the following
36		requirements and who carries a copy of the registration card for the
37		dealer plate displayed on the motor vehicle and any demonstration
38		permit issued to that person while driving the motor vehicle:
39		<u>a.</u> Is an officer of the dealer, an employee of the dealer, or a
40		person to whom the dealer has issued a demonstration permit.
41		b. Is at least 18 years old unless the person is test-driving the
42		vehicle and has a demonstration permit or is an employee of the
43		dealer and regularly works for the dealer at least 15 hours a
44		week.

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1	A dealer may issue a demonstration permit for a motor vehicle to a person licensed
2	to drive that type of motor vehicle. A demonstration permit authorizes each person
3	named in the permit to drive the motor vehicle described in the permit for up to 96
4	hours after the time the permit is issued. A dealer may, for good cause, renew a
5	demonstration permit for one additional 96-hour period.
6	A dealer may not lend, rent, lease, or otherwise place a dealer license plate at the
7	disposal of a person except as authorized by this subsection.
8	(e) <u>Sanctions. – The following sanctions apply when a motor vehicle displaying a</u>
9	dealer license plate is driven in violation of the restrictions on the use of the plate:
10	(1) The individual driving the motor vehicle is responsible for an
11	infraction and is subject to a penalty of fifty dollars (\$50.00).
12	(2) The dealer to whom the plate is issued is subject to a civil penalty
13	imposed by the Division of two hundred dollars (\$200.00).
14	(3) The Division may rescind all dealer license plates issued to the dealer
15	whose plate was displayed on the motor vehicle.
16	<u>A penalty imposed under subdivision (1)</u> of this subsection is payable to the
17	county where the infraction occurred, as required by G.S. 14-3.1. A civil penalty
18	imposed under subdivision (2) of this subsection shall be credited to the Highway Fund
19	as nontax revenue.
20	(e) (f) Transfer of Dealer Registration. – No change in the name of a firm,
21	partnership or corporation, nor the taking in of a new partner, nor the withdrawal of one
22	or more of the firm, shall be considered a new business; but if any one or more of the
23	partners remain in the firm, or if there is change in ownership of less than a majority of
24	the stock, if a corporation, the business shall be regarded as continuing and the dealers'
25	plates originally issued may continue to be used."
26	Sec. 3. G.S. 20-288(a) reads as rewritten:
27	"(a) Application for a license shall be made to the Division at such time, in such
28	form, and contain such information as the Division shall require, and shall be
29	accompanied by the required fee. A person may obtain a license by filing an application
30	with the Division. An application must be on a form provided by the Division and
31	contain the information required by the Division. An application for a license must be
32	accompanied by the required fee and by an application for a dealer license plate."
33	Sec. 4. G.S. 20-79.2 reads as rewritten:
34	"§ 20-79.2. Transporter registration. plates.
35	(a) <u>Who Can Get a Plate.</u> A person engaged in a business requiring the limited energtion of a mater valuate to valuate for any of the following purposes may
36 37	limited operation of <u>a</u> motor vehicles to vehicle for any of the following purposes may
37 38	obtain a transporter plate authorizing the movement of the vehicle for the specific
38 39	<u>purpose:</u> (1) <u>To facilitate the manufacture, construction, rebuilding, or delivery of</u>
39 40	(1) <u>To</u> facilitate the manufacture, construction, rebuilding, or delivery of new or used truck cabs or bodies between manufacturer, dealer, seller,
40 41	or <del>purchaser, or the <u>purchaser</u>.</del>
41	(2) <u>To foreclosure or repossession of repossess a motor vehicles, or the</u>
43	vehicle.
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1	<u>(3)</u>	<u>To pickup and delivery of pick up a motor vehicles vehicle that is to be</u>
2		repaired or otherwise prepared for sale by dealers, or a dealer, to road-
3		test the vehicle, if it is repaired, within a 10-mile radius of the place
4		where it is repaired, and to deliver the vehicle to the dealer.
5	<u>(4)</u>	To move a motor vehicle that is owned by a public utility, as defined
6		in G.S. 62-3(23)a, engaged in the movement of replaced vehicles for
7		sale, may apply to the Commissioner for special registration to be
8		issued to and used by the person or utility upon the following
9		conditions: and is a replaced vehicle offered for sale.
10	<u>(5)</u>	To take a motor vehicle either to or from a motor vehicle auction
11		where the vehicle will be or was offered for sale.
12	<u>(6)</u>	To road-test a repaired truck whose GVWR is at least 15,000 pounds
13		when the test is performed within a 10-mile radius of the place where
14		the truck was repaired and the truck is owned by a person who has a
15		fleet of at least five trucks whose GVWRs are at least 15,000 pounds
16		and who maintains the place where the truck was repaired.
17	(7)	To move a mobile office, a mobile classroom, or a mobile or
18	~~~	manufactured home.
19	<u>(8)</u>	To drive a motor vehicle that is at least 25 years old to and from a
20	<u> </u>	parade or another public event and to drive the motor vehicle in that
21		event. A person who owns a motor vehicle that is at least 25 years old
22		is considered to be in the business of collecting those vehicles.
23	<u>(9)</u>	To drive a motor vehicle that is part of the inventory of a dealer to and
24	~ <i>_</i>	from a motor vehicle trade show or exhibition or to, during, and from a
25		parade in which the motor vehicle is used.
26	(1)	Application for Registration. Only one application shall be required
27		from each person, and such application for registration under this
28		section shall be filed with the Commissioner of Motor Vehicles in such
29		form and detail as the Commissioner shall prescribe, setting forth:
30		a. The name and residence address of the applicant; if an
31		individual, the name under which he intends to conduct
32		business; if a partnership, the name and residence address of
33		each member thereof, and the name under which the business is
34		to be conducted; if a corporation, the name of the corporation
35		and the name and residence address of each of its officers.
36		b. The complete address or addresses of the place or places where
37		the business is to be conducted.
38		c. Such further information as the Commissioner may require.
39	(2)	Applications for registration under this section shall be verified by the
40	(-)	applicant, and the Commissioner may require the applicant for
41		registration to appear at such time and place as may be designated by
42		the Commissioner for examination to enable him to determine the
43		accuracy of the facts set forth in the written application, either for
44		initial registration or renewal thereof.

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1	(3)	Fees. The annual fee for such registration under this section or
2		renewal thereof shall be nineteen dollars (\$19.00), plus an annual fee
3		of six dollars (\$6.00) for each set of plates. The application for
4		registration and number plates shall be accompanied by the required
5		annual fee. There shall be no refund of registration fee or fees for
6		number plates in the event of suspension, revocation or voluntary
7		cancellation of registration. There shall be no quarterly reduction in
8		fees under this section.
9	(4)	- Issuance of Certificate. If the Commissioner approves the
10		application, he shall issue a registration certificate in such form as he
11		may prescribe. A registrant shall notify the Commissioner of any
12		change of address of his principal place of business within 30 days
13		after such change is made, and the Commissioner shall be authorized
14		to cancel the registration upon failure to give such notice.
15	(5)	
16		transferred from vehicle to vehicle, but shall be used only for the
17		limited operation of vehicles in connection with the manufacture,
18		construction, rebuilding, or delivery of new or used truck cabs or
19		bodies between the manufacturer, dealer, seller, or purchaser, or with
20		the foreclosure or repossession of vehicles, or with the pickup and
21		delivery of motor vehicles to be prepared for sale by dealers, or, if the
22		registrant is a public utility, for the limited movement of vehicles in
23		connection with the sale of a replaced vehicle.
24	<del>(6</del> )	-
25		Registration. The Commissioner may deny the application of any
26		person for registration under this section and may suspend or revoke a
27		registration or refuse to issue a renewal thereof if he determines that
28		such applicant or registrant has:
29		a. Made a material false statement in his application;
30		b. Used or permitted the use of number plates contrary to law;
31		c. Been guilty of fraud or fraudulent practices; or
32		d. Failed to comply with any of the rules and regulations of the
33		Commissioner for the enforcement of this section or with any
34		provisions of this Chapter applicable thereto.
35	(b) Ar	ny person engaged in a business which owns and operates a fleet of five or
36		licensed for 15,000 pounds gross weight or more who operates and
37		eir own repair facilities may be issued one transporter plate pursuant to
38	subsection (a	a) for the sole purpose of road testing their repaired trucks which will
39	become elig	ible to be licensed for 15,000 pounds gross weight or more, subject to
40	weight limita	ations as provided by law, within a 10-mile radius of the repair facility. A
41		e liability insurance shall be maintained on such trucks at all times. <u>How</u>
42		te. $-$ A person may obtain a transporter plate by filing an application with
43		and paying the required fee. An application must be on a form provided by
44		and contain the information required by the Division. The fee for a
		and comminder information required by the Division. The rec for u

1	transporter plate is one-half the fee set in G.S. 20-87(5) for a passenger motor vehicle of
2	not more than 15 passengers.
3	(c) Form, Duration, and Transfer. – A transporter plate is a type of commercial
4	license plate. A transporter plate is issued on a calendar-year basis. During the
5	calendar year for which it is issued, a person may transfer a transporter plate from one
6	vehicle to another as long as the vehicle is driven only for a purpose authorized by
7	subsection (a) of this section. The Division may rescind a transporter plate that is
8	displayed on a motor vehicle driven for a purpose that is not authorized by subsection
9	(a) of this section."
10	Sec. 5. G.S. 20-79.3 is repealed.
11	Sec. 6. G.S. 20-95(b) reads as rewritten:
12	"(b) This section shall-does not apply to licenses-license plates issued pursuant to
13	G.S. 20-79.1, 20-79.2, <del>20-79.3, 20-84</del> , 20-84.1, 20-87(9) through (10) or (10), and 20-
14	88(c)."
15	Sec. 7. G.S. 20-87(7) reads as rewritten:
16	"(7) Manufacturers and Motor Vehicle Dealers. Manufacturers and
17	dealers in motor vehicles shall pay a fee of one-half of the amount that
18	would otherwise be payable under this section for each set of plates.
19	Dealer License Plates. – The fee for a dealer license plate is the regular
20	fee for each of the first five plates issued to the same dealer and is one-
21	half the regular fee for each additional dealer license plate issued to the
22	same dealer. The 'regular fee' is the fee set in subdivision (5) of this
23	section for a private passenger motor vehicle of not more than 15
24	passengers."
25	Sec. 8. G.S. 20-110 (c), (e), and (f) are repealed.
26	Sec. 9. G.S. 20-111(1) reads as rewritten:
27	"(1) To operate or for the owner thereof knowingly to permit the
28	operation upon a highway of any vehicle, trailer, or semitrailer
29	required to be registered and which is not registered or for which a
30	certificate of title has not been issued, or which does not have
31	attached thereto and displayed thereon the registration number
32	plate or plates assigned thereto by the Division for the current
33	registration year, subject to the provisions of G.S. 20-64 and 20-
34	72(a) and the exemptions mentioned in G.S. 20-65 and 20-79.
35	drive a vehicle on a highway, or knowingly permit a vehicle owned
36	by that person to be driven on a highway, when the vehicle is not
37	registered with the Division in accordance with this Article or does
38	not display a current registration plate."
39 40	Sec. 10. G.S. 20-293 is repealed.
40	Sec. 11. G.S. 20-294 reads as rewritten:
41 42	" <b>§ 20-294.</b> Grounds for denying, suspending or revoking licenses. The Division may A license may be denied, suspended or revoked on-deny, suspend, or
42 43	
43	revoke a license issued under this Article for any one or more of the following grounds:

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1	(	1) <u>Material Making a material misstatement in an application for a</u>
2	(	license.
3	(2	2) Willful and intentional failure to comply with any provision of this
4		Article or Article 15 or the willful and intentional violation of
5		Willfully and intentionally failing to comply with this Article,
6		Article 15 of this Chapter, or G.S. 20-52.1, 20-75, 20-79, 20-82,
7		20-108, <del>20-109 20-109, or rescission and cancellation of dealer's</del>
8		license and dealer's plates under G.S. 20-110(e) or 20-110(f) or any
9		lawful rule or regulation promulgated a rule adopted by the
10		Division under this Article.
11	(.	3) Being a motor vehicle dealer, failure <u>Failing</u> to have an established
12		place of business as defined in this Article. salesroom, if the license
13		holder is a motor vehicle dealer, or failing to have an established
14 15	(	<u>office, if the license holder is a wholesaler.</u>
15 16	(4	4) Willfully defrauding any retail buyer, to the buyer's damage, or any other person in the conduct of the licensee's business.
10	(	5) <u>Employment of Employing fraudulent devices, methods or practices</u>
17	(.	in connection with compliance with the requirements under the
19		laws of this State with respect to the retaking of motor vehicles
20		under retail installment contracts and the redemption and resale of
21		such motor vehicles.
22	()	6) <u>Having used Using unfair methods of competition or unfair</u>
23	× ×	deceptive acts or practices.
24	(	7) Knowingly advertising by any means, any assertion, representation
25		or statement of fact which is untrue, misleading or deceptive in any
26		particular relating to the conduct of the business licensed or for
27		which a license is sought.
	(3	
	()	
		-
32		
33		or <del>conviction</del> <u>being convicted</u> of a felony involving moral turpitude
34		under the laws of this State, any other another state, territory or the
35		District of Columbia-or of the United States.
36	(	10) Submitting a bad check to the Division of Motor Vehicles in
37		payment of highway use taxes collected by the licensee.
38	<u>(</u> )	11) Knowingly giving an incorrect certificate of title, or failing to give
		a certificate of title to a purchaser, a lienholder, or the Division, as
	(	
	C	
27 28 29 30 31 32 33 34 35 36 37	(( ( ( ( ( ( Sec	<ul> <li>which a license is sought.</li> <li>8) Knowingly advertising a used motor vehicle for sale as a motor vehicle.</li> <li>9) Conviction-Being convicted of an offense set forth under G.S. 106, 20-106.1, 20-107, or 20-112 while holding such a licens within five years next preceding the date of filing the applicat or conviction-being convicted of a felony involving moral turpit under the laws of this State, any other another state, territory or District of Columbia or of the United States.</li> <li>10) Submitting a bad check to the Division of Motor Vehicles payment of highway use taxes collected by the licensee.</li> <li>11) Knowingly giving an incorrect certificate of title, or failing to g a certificate of title to a purchaser, a lienholder, or the Division appropriate, after a vehicle is sold.</li> </ul>

1 When the transferee of any-a vehicle registered under the foregoing provision of this 2 Article is a dealer who is licensed dealer under Article 12 of this Chapter and who holds 3 the same vehicle for resale and operates the same only for purpose of demonstration under a 4 dealer's number plate, or a duly licensed is an insurance company taking such vehicle for 5 sale or disposal for salvage purposes where such title is taken as a part of a bona fide 6 claim settlement transaction and only for the purpose of resale, such transferee shall not 7 be required to register such vehicle nor forward the certificate of title to the Division as 8 provided in G.S. 20-73. To assign or transfer title or interest in such-the vehicle, the 9 dealer or insurance company shall execute in the presence of a person authorized to 10 administer oaths a reassignment and warranty of title on the reverse of the certificate of title in the form approved by the Division, including in such reassignment the name and 11 12 address of the transferee, and title to such vehicle shall not pass or vest until such 13 reassignment is executed and the motor vehicle delivered to the transferee. 14 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 that 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. Any person who delivers or accepts a certificate of title assigned in blank shall be guilty of a misdemeanor.

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

24 Sec. 13. Part 5 of Article 3 of Chapter 20 of the General Statutes is amended 25 by adding a new section between G.S. 20-79 and G.S. 20-79.1 to read:

#### 26 "<u>§ 20-79.01. Special sports event temporary license plates.</u>

27 Application. – A dealer who is licensed under Article 12 of this Chapter and (a) who agrees to loan to another for use at a special sports event a vehicle that could 28 29 display a dealer license plate if driven by an officer or employee of the dealer may 30 obtain a temporary special sports event license plate for that vehicle by filing an application with the Division and paying the required fee. A 'special sports event' is a 31 32 sports event that is held no more than once a year and is open to the public. An 33 application must be filed on a form provided by the Division and contain the information required by the Division. The fee for a temporary special sports event 34 35 license plate is five dollars (\$5.00). Form and Duration. – A temporary special sports event license plate must 36 (b)state on the plate the date it was issued, the date it expires, and the make, model, and 37 38 serial number of the vehicle for which it is issued. A temporary special sports event 39 license plate may be issued for no more than 45 days. The dealer to whom the plate is issued must destroy the plate on or before the date it expires. 40

41 (c) <u>Restrictions on Use. – A temporary special sports event license plate may be</u>
 42 <u>displayed only on the vehicle for which it is issued. A vehicle displaying a temporary</u>
 43 <u>special sports event license plate may be driven by anyone who is licensed to drive the</u>
 44 type of vehicle for which the plate is issued and may be driven for any purpose."

Sec. 14. Sections 4, 5, and 6 of this act become effective January 1, 1994.
 The remainder of this act becomes effective October 1, 1993.

1993