

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 1147*
Commerce, Small Business and Entrepreneurship Committee Substitute Adopted
5/16/07

Short Title: Dealer MV Inspection and Records Changes. (Public)

Sponsors:

Referred to:

March 22, 2007

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE A COPY OF THE REGISTRATION CARD ISSUED FOR A
3 DEALER REGISTRATION PLATE BE IN THE VEHICLE, TO MODIFY
4 RETENTION AND INSPECTION PROCEDURES FOR DEALER RECORDS,
5 AND CLARIFY WHEN A VEHICLE MUST BE INSPECTED.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 20-79(d) reads as rewritten:

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

- 10 (1) Is part of the inventory of the dealer.
11 (2) Is not consigned to the dealer.
12 (3) Is covered by liability insurance that meets the requirements of Article
13 9A of this Chapter.
14 (4) Is not used by the dealer in another business in which the dealer is
15 engaged.
16 (5) Is driven on a highway by a person ~~who carries a copy of the~~
17 ~~registration card for the dealer plates issued to the dealer while driving~~
18 ~~the motor vehicle and~~ who meets one of the following descriptions:
19 a. Has a demonstration permit to test-drive the motor vehicle and
20 carries the demonstration permit while driving the motor
21 vehicle.
22 b. Is an officer or sales representative of the dealer and is driving
23 the vehicle for a business purpose of the dealer.
24 c. Is an employee of the dealer and is driving the vehicle in the
25 course of employment.

26 (6) A copy of the registration card for the dealer plate issued to the dealer
27 is carried by the person operating the motor vehicle or, if the person is
28 operating the motor vehicle in this State, the registration card is

1 maintained on file at the dealer's address listed on the registration card,
2 and the registration card must be able to be produced within 24 hours
3 upon request of any law enforcement officer.

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

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

11 **SECTION 2.** G.S. 20-183.4C is amended by adding a new subdivision to
12 read:

13 "(1a) A new motor vehicle dealer who is also licensed pursuant to this
14 Article may, notwithstanding subdivision (1) of this section, examine
15 the safety and emissions control devices on a new motor vehicle and
16 perform such services necessary to ensure the motor vehicle conforms
17 to the required specifications established by the manufacturer and
18 contained in its predelivery check list. The completion of the
19 predelivery inspection procedure required or recommended by the
20 manufacturer on a new motor vehicle shall constitute the inspection
21 required by subdivision (1) of this section. For the purposes of this
22 subdivision, the date of inspection shall be deemed to be the date of
23 the sale of the motor vehicle to a purchaser."

24 **SECTION 3.** G.S. 20-297(a) reads as rewritten:

25 "(a) Vehicles. – A dealer must keep a record of all vehicles received by the dealer
26 and all vehicles sold by the dealer. The records must contain the information that the
27 Division requires. A dealer may keep and maintain records at the dealership facility
28 where the vehicles were sold or at another established office located within this State
29 provided that the location and the name of a designated contact agent are provided to
30 the Division and the records can be made available for inspection by the Division within
31 a reasonable period of time after being requested by the Division."

32 **SECTION 4.** This act becomes effective July 1, 2007.