

**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**  
**House Committee Substitute Favorable 7/26/07**

Short Title: Dealer MV Inspection/Records/MV Registration. (Public)

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Sponsors:

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Referred to:

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March 22, 2007

A BILL TO BE ENTITLED

1  
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, TO  
5 CLARIFY WHEN A VEHICLE MUST BE INSPECTED, AND TO CLARIFY  
6 MOTOR VEHICLE REGISTRATION REQUIREMENTS.

7 The General Assembly of North Carolina enacts:

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

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

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

1           (6) A copy of the registration card for the dealer plate issued to the dealer  
2 is carried by the person operating the motor vehicle or, if the person is  
3 operating the motor vehicle in this State, the registration card is  
4 maintained on file at the dealer's address listed on the registration card,  
5 and the registration card must be able to be produced within 24 hours  
6 upon request of any law enforcement officer.

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

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

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

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

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

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

35           **SECTION 4.** Section 2 of Session Law 2007-209 is repealed.

36           **SECTION 5.** G.S. 20-52(a) reads as rewritten:

37           "(a) An owner of a vehicle subject to registration must apply to the Division for a  
38 certificate of title, a registration plate, and a registration card for the vehicle. To apply,  
39 an owner must complete an application ~~form~~ provided by the Division. The application  
40 ~~form~~ must request all of the following information and may request other information  
41 the Division considers necessary:

42           (1) The owner's name.

43           (1a) If the owner is an individual, the following information:

44           a. The owner's mailing address and residence address.

- 1                   b.     ~~The owner's social security number.~~One of the following at the  
2                   option of the applicant:  
3                   1.     The owner's North Carolina drivers license number or  
4                   North Carolina special identification card number.  
5                   2.     The owner's home state drivers license number or home  
6                   state special identification card number and valid active  
7                   duty military identification card number or military  
8                   dependent identification card number if the owner is a  
9                   person or the spouse or dependent child of a person on  
10                  active duty in the armed forces of the United States who  
11                  is stationed in this State or deployed outside this State  
12                  from a home base in this State. The owner's inability to  
13                  provide a photocopy or reproduction of a military or  
14                  military dependent identification card pursuant to any  
15                  prohibition of the United States government or any  
16                  agency thereof against the making of such photocopy or  
17                  reproduction shall not operate to prevent the owner from  
18                  making an application for registration and certificate of  
19                  title pursuant to this subdivision.  
20                  3.     The owner's home state drivers license number or home  
21                  state special identification card number and proof of  
22                  enrollment in a school in this State if the owner is a  
23                  permanent resident of another state but is currently  
24                  enrolled in a school in this State.  
25                  4.     The owner's home state drivers license number or home  
26                  state special identification card number if the owner  
27                  provides a signed affidavit certifying that the owner  
28                  intends to principally garage the vehicle in this State and  
29                  provides the address where the vehicle will be  
30                  principally garaged. For purposes of this section,  
31                  "principally garage" means the vehicle is garaged for six  
32                  or more months of the year on property in this State  
33                  which is owned, leased, or otherwise lawfully occupied  
34                  by the owner of the vehicle.  
35                  5.     The owner's home state drivers license number or home  
36                  state special identification card number, provided that  
37                  the application is made pursuant to a court authorized  
38                  sale or a sale authorized by G.S. 44A-4 for the purpose  
39                  of issuing a title to be registered in another state or  
40                  country.  
41                  6.     The co-owner's home state drivers license number or  
42                  home state special identification card number if at least  
43                  one co-owner provides a North Carolina drivers license  
44                  number or North Carolina special identification number.

1                   7.     The owner's home state drivers license number or special  
2                   identification card number if the application is for a  
3                   motor home or house car, as defined in  
4                   G.S. 20-4.01(27)d2.

5           (1b) If the owner is a firm, a partnership, a corporation, or another entity,  
6           the address of the entity.

7           (2) A description of the vehicle, including the following:

8           a.     The make, model, type of body, and vehicle identification  
9           number of the vehicle.

10          b.     Whether the vehicle is new or used and, if a new vehicle, the  
11                 date the manufacturer or dealer sold the vehicle to the owner  
12                 and the date the manufacturer or dealer delivered the vehicle to  
13                 the owner.

14          (3) A statement of the owner's title and of all liens upon the vehicle,  
15                 including the names and addresses of all lienholders in the order of  
16                 their priority, and the date and nature of each lien.

17 ~~The application form must contain the disclosures concerning the request for an~~  
18 ~~applicant's social security number required by section 7 of the federal Privacy Act of~~  
19 ~~1974, Pub. L. No. 93-579. In accordance with 42 U.S.C. 405(e)(2)(C)(v), the Division~~  
20 ~~may disclose a social security number obtained under this subsection only for the~~  
21 ~~purpose of administering the motor vehicle registration laws and may not disclose the~~  
22 ~~social security number for any other purpose. The social security number of a person~~  
23 ~~who applies to register a vehicle or of a person in whose name a vehicle is registered is~~  
24 ~~therefore not a public record. A violation of the disclosure restrictions is punishable as~~  
25 ~~provided in 42 U.S.C. 405(e)(2)(C)(vii)."~~

26           **SECTION 6.** If House Bill 729 of the 2007 Regular Session becomes law,  
27 Section 6 of that act is repealed.

28           **SECTION 7.** If House Bill 729 of the 2007 Regular Session becomes law,  
29 G.S. 20-52(a), as amended by Section 5 of this act, reads as rewritten:

30           "(a) An owner of a vehicle subject to registration must apply to the Division for a  
31 certificate of title, a registration plate, and a registration card for the vehicle. To apply,  
32 an owner must complete an application provided by the Division. The application must  
33 request all of the following information and may request other information the Division  
34 considers necessary:

35           (1) The owner's name.

36           (1a) If the owner is an individual, the following information:

37           a.     The owner's mailing address and residence address.

38           b.     One of the following at the option of the applicant:

39           1.     The owner's North Carolina drivers license number or  
40                 North Carolina special identification card number.

41           2.     The owner's home state drivers license number or home  
42                 state special identification card number and valid active  
43                 duty military identification card number or military  
44                 dependent identification card number if the owner is a

1 person or the spouse or dependent child of a person on  
2 active duty in the armed forces of the United States who  
3 is stationed in this State or deployed outside this State  
4 from a home base in this State. The owner's inability to  
5 provide a photocopy or reproduction of a military or  
6 military dependent identification card pursuant to any  
7 prohibition of the United States government or any  
8 agency thereof against the making of such photocopy or  
9 reproduction shall not operate to prevent the owner from  
10 making an application for registration and certificate of  
11 title pursuant to this subdivision.

12 3. The owner's home state drivers license number or home  
13 state special identification card number and proof of  
14 enrollment in a school in this State if the owner is a  
15 permanent resident of another state but is currently  
16 enrolled in a school in this State.

17 4. The owner's home state drivers license number or home  
18 state special identification card number if the owner  
19 provides a signed affidavit certifying that the owner  
20 intends to principally garage the vehicle in this State and  
21 provides the address where the vehicle will be  
22 principally garaged. For purposes of this section,  
23 "principally garage" means the vehicle is garaged for six  
24 or more months of the year on property in this State  
25 which is owned, leased, or otherwise lawfully occupied  
26 by the owner of the vehicle.

27 5. The owner's home state drivers license number or home  
28 state special identification card number, provided that  
29 the application is made pursuant to a court authorized  
30 sale or a sale authorized by G.S. 44A-4 for the purpose  
31 of issuing a title to be registered in another state or  
32 country.

33 6. The co-owner's home state drivers license number or  
34 home state special identification card number if at least  
35 one co-owner provides a North Carolina drivers license  
36 number or North Carolina special identification number.

37 7. The owner's home state drivers license number or special  
38 identification card number if the application is for a  
39 motor home or house car, as defined in  
40 G.S. 20-4.01(27)d2.(1b) If the owner is a firm, a  
41 partnership, a corporation, or another entity, the address  
42 of the entity.

43 (2) A description of the vehicle, including the following:

- 1 a. The make, model, type of body, and vehicle identification
- 2 number of the vehicle.
- 3 b. Whether the vehicle is new or used and, if a new vehicle, the
- 4 date the manufacturer or dealer sold the vehicle to the owner
- 5 and the date the manufacturer or dealer delivered the vehicle to
- 6 the owner.
- 7 (3) A statement of the owner's title and of all liens upon the vehicle,
- 8 including the names and addresses of all lienholders in the order of
- 9 their priority, and the date and nature of each lien.
- 10 (4) A statement that the owner is an eligible risk for insurance coverage as
- 11 defined in G.S. 58-37-1.
- 12 (5) For registration and certificate of title for a nonfleet private passenger
- 13 motor vehicle, a statement that providing incorrect or false and
- 14 misleading information as to the owner's status as an eligible risk can
- 15 result in criminal prosecution and the denial of insurance coverage for
- 16 any loss of the owner under any insurance policies for which
- 17 application is made if the owner provides false and misleading
- 18 information as to eligible risk status.
- 19 (6) For registration and certificate of title for a nonfleet private passenger
- 20 motor vehicle, a statement that the owner will inform the insurer
- 21 before the next policy renewal if the owner ceases to be an eligible
- 22 risk."

23 **SECTION 8.** If House Bill 729 of the 2007 Regular Session becomes law,  
 24 G.S. 58-37-1(4a), as enacted by Section 1 of that act, reads as rewritten:

25 "(4a) "Eligible risk," for the purpose of nonfleet private passenger motor  
 26 vehicle insurance, means:

- 27 a. A resident of this State who owns a motor vehicle registered or
- 28 principally garaged in this State;
- 29 b. A resident of this State and who has a valid driver's license
- 30 issued by this State;
- 31 c. A person who is required to file proof of financial responsibility
- 32 under Article 9A or 13 of Chapter 20 of the General Statutes in
- 33 order to register his or her vehicle or to obtain a driver's license
- 34 in this State;
- 35 d. A nonresident of this State who owns a motor vehicle registered
- 36 and principally garaged in this State;
- 37 e. A nonresident of the State who is one of the following:
- 38 1. A member of the armed forces of the United States
- 39 ~~armed forces~~ stationed in this State ~~State~~, or deployed
- 40 outside this State from a home base in this State, who
- 41 intends to return to his or her home state;
- 42 2. The spouse of a nonresident member of the armed forces
- 43 of the United States ~~armed forces~~ ~~stationed in this State~~

- 1   State, or deployed outside this State from a home base in  
2   this State, who intends to return to his or her home state;  
3   3.         An out-of-state student who intends to return to his or  
4   her home state upon completion of his or her time as a  
5   student enrolled in school in this State; or  
6   f.         The State and its agencies and cities, counties, towns, and  
7   municipal corporations in this State and their agencies.  
8   However, no person shall be deemed an eligible risk if timely payment  
9   or premium is not tendered or if there is a valid unsatisfied judgment  
10   of record against the person for recovery of amounts due for motor  
11   vehicle insurance premiums and the person has not been discharged  
12   from paying the judgment or if the person does not furnish the  
13   information necessary to effect insurance."

14                     **SECTION 9.** Section 5 of this act becomes effective September 15, 2007,  
15 and applies to applications for registration and certificate of title made on or after that  
16 date but shall not apply to any application that had been completed and notarized but  
17 not yet submitted to or processed by the Division prior to September 15, 2007. Sections  
18 6, 7, and 8 of this act become effective January 1, 2008. The remainder of this act is  
19 effective when it becomes law.