

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 519

Short Title: MV Conditional Delivery.

(Public)

Sponsors: Senator Goldston.

Referred to: Transportation.

April 10, 1991

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY LIABILITY OF MOTOR VEHICLE DEALERS IN SPOT
3 DELIVERY SALES.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 20-72 is amended by adding a new subsection to read:

6 "(d) A motor vehicle dealer may conditionally deliver possession of a motor
7 vehicle pursuant to a contract for sale to a buyer prior to transfer of title. Provided,
8 however, that no provision of the contract for sale may alter the following
9 responsibilities of the dealer:

10 (1) The dealer shall maintain financial responsibility, as required by
11 Article 13 of this Chapter, until all documents necessary to cause the
12 buyer of the motor vehicle to become the 'owner', as defined by G.S.
13 20-4.01(26) have been executed by the buyer and the seller; and

14 (2) After delivery of the motor vehicle has taken place, it shall be unlawful
15 for a motor vehicle dealer to fail or refuse to transfer the title of the
16 vehicle to the buyer or to attempt to renegotiate any material term of
17 the contract for sale unless the buyer has made a material
18 misrepresentation, has breached the contract for sale, or has failed to
19 satisfy a condition of the contract for sale.

20 Nothing in this subsection shall be construed to impair the dealer's right, in the event of
21 a misrepresentation, breach, or a failure of the buyer to satisfy a condition of the
22 contract for sale, to recover the motor vehicle, to rescind the contract, or to exercise any
23 other right or remedy provided by the contract or by law."

24 Sec. 2. This act is effective upon ratification.