

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 502
Committee Substitute Favorable 4/28/97
Committee Substitute #2 Favorable 7/9/97

Short Title: Amend Motor Vehicle Defin.

(Public)

Sponsors:

Referred to:

March 12, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE DEFINITION OF MOTOR VEHICLE TO INCLUDE
3 PERSONAL WATERCRAFT AND ALL TERRAIN VEHICLES SOLD BY
4 DEALERS OTHERWISE SUBJECT TO THE MOTOR VEHICLE DEALER AND
5 MANUFACTURERS LICENSING LAW.

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 20-286(10) reads as rewritten:

8 "(10) Motor vehicle. – Any motor propelled vehicle, trailer or semitrailer,
9 required to be registered under the laws of this ~~State~~-State, or any
10 personal watercraft as defined in G.S. 75A-13.2 or all terrain vehicle
11 sold by a motor vehicle dealer or dealer otherwise subject to this
12 Article.

13 a. 'New motor vehicle' means a motor vehicle which has never
14 been the subject of a sale other than between new motor vehicle
15 dealers, or between manufacturer and dealer of the same
16 franchise.

17 b. 'Used motor vehicle' means a motor vehicle other than described
18 in paragraph (10)a above."

1 Section 2. G.S. 20-286(11) reads as rewritten:

2 " (11) Motor vehicle dealer or dealer. – A person who does
3 any of the following:

- 4 a. For commission, money, or other thing of value, buys, sells, or
5 exchanges, whether outright or on conditional sale, bailment
6 lease, chattel mortgage, or otherwise, five or more motor vehicles
7 within any 12 consecutive months, regardless of who owns the
8 motor vehicles.
- 9 b. On behalf of another and for commission, money, or other thing
10 of value, arranges, offers, attempts to solicit, or attempts to
11 negotiate the sale, purchase, or exchange of an interest in five or
12 more motor vehicles within any 12 consecutive months,
13 regardless of who owns the motor vehicles.
- 14 c. Engages, wholly or in part, in the business of selling new motor
15 vehicles or new or used motor vehicles, or used motor vehicles
16 only, whether or not the motor vehicles are owned by that person,
17 and sells five or more motor vehicles within any 12 consecutive
18 months.
- 19 d. Offers to sell, displays, or permits the display for sale for any
20 form of compensation five or more motor vehicles within any 12
21 consecutive months.
- 22 e. Primarily engages in the leasing or renting of motor vehicles to
23 others and sells or offers to sell those vehicles at retail.

24 The term 'motor vehicle dealer' or 'dealer' does not include any of the
25 following:

- 26 a. Receivers, trustees, administrators, executors, guardians, or other
27 persons appointed by or acting under the judgment or order of
28 any court.
- 29 b. Public officers while performing their official duties.
- 30 c. Persons disposing of motor vehicles acquired for their own use or
31 the use of a family member, and actually so used, when the
32 vehicles have been acquired and used in good faith and not for
33 the purpose of avoiding the provisions of this Article.
- 34 d. Persons who sell motor vehicles as an incident to their principal
35 business but who are not engaged primarily in the selling of
36 motor vehicles. This category includes financial institutions who
37 sell repossessed motor vehicles and insurance companies who
38 sell motor vehicles to which they have taken title as an incident
39 of payments made under policies of insurance, and auctioneers
40 who sell motor vehicles for the owners or the heirs of the owners
41 of those vehicles as part of an auction of other personal or real
42 property or for the purpose of settling an estate or closing a
43 business or who sell motor vehicles on behalf of a governmental

- 1 entity, and who do not maintain a used car lot or building with
2 one or more employed motor vehicle sales representatives.
- 3 e. Persons manufacturing, distributing or selling trailers and
4 semitrailers weighing not more than 750 pounds and carrying not
5 more than a 1,500 pound load.
- 6 f. A licensed real estate broker or salesman who sells a mobile
7 home for the owner as an incident to the sale of land upon which
8 the mobile home is located.
- 9 g. An employee of an organization arranging for the purchase or
10 lease by the organization of vehicles for use in the organization's
11 business.
- 12 h. Any publication, broadcast, or other communications media
13 when engaged in the business of advertising, but not otherwise
14 arranging for the sale of motor vehicles owned by others.
- 15 i. Any person dealing solely in the sale or lease of vehicles
16 designed exclusively for off-road use except for personal
17 watercraft and all terrain vehicles subject to subsection (10) of
18 this section.
- 19 j. Any real property owner who leases any interest in property for
20 use by a dealer.
- 21 k. Any person acquiring any interest in a motor vehicle for a family
22 member."

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