

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

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**HOUSE BILL 1333\***

Short Title: Dealer Motor Vehicle Inspection Changes. (Public)

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Sponsors: Representative Cole.

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Referred to: Transportation, if favorable, Judiciary III.

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April 10, 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 CLARIFY SELF-INSPECTOR RESPONSIBILITIES, CLARIFY WHEN A  
6 VEHICLE MUST BE INSPECTED, AND THE SCOPE OF AN EMISSIONS  
7 INSPECTION.

8 The General Assembly of North Carolina enacts:

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

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

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

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

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

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

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

12           **SECTION 2.** G.S. 20-183.3(b1) reads as rewritten:

13           "(b1) Emissions. – An emissions inspection of a motor vehicle consists of a visual  
14 inspection of the vehicle's emissions control devices to determine if the devices are  
15 present, are properly connected, and are the correct type for the vehicle and an analysis  
16 of data provided by the on-board diagnostic (OBD) equipment installed by the vehicle  
17 manufacturer to identify any deterioration or malfunction in the operation of the vehicle  
18 that violates standards for the model year of the vehicle set by the Environmental  
19 Management Commission. To pass an emissions inspection a vehicle must pass both the  
20 visual inspection and the OBD analysis. When an emissions inspection is performed on  
21 a vehicle, a safety inspection must be performed on the vehicle as well. The equipment  
22 utilized to analyze data provided by the OBD equipment shall be designed to prevent  
23 completion of the analysis and emissions inspection if the vehicle identification number  
24 provided by the OBD equipment does not match the vehicle identification manually  
25 entered into the analyzing equipment."

26           **SECTION 3.** G.S. 20-183.4C is amended by adding a new subdivision to  
27 read:

28           "(1a) A new motor vehicle dealer who is also licensed pursuant to this  
29 Article may, notwithstanding subdivision (1) of this section, examine  
30 the safety and emissions control devices on a new motor vehicle and  
31 perform such services necessary to ensure the motor vehicle conforms  
32 to the required specifications established by the manufacturer and  
33 contained in its predelivery check list. The completion of the  
34 predelivery inspection procedure required or recommended by the  
35 manufacturer on a new motor vehicle shall constitute the inspection  
36 required by subdivision (1) of this section. For the purposes of this  
37 subdivision, the date of inspection shall be deemed to be the date of  
38 the sale of the motor vehicle to a purchaser."

39           **SECTION 4.** G.S. 20-183.7A (c) reads as rewritten:

40           "(c) Station or Self-Inspector Responsibility. – It is the responsibility of a safety  
41 inspection station and a safety self-inspector to supervise the safety inspection  
42 mechanics it employs. A violation by a safety inspection mechanic is considered a  
43 violation by the station or self-inspector for whom the mechanic is employed. A license  
44 suspension or revocation outlined in subsection (b) of this section for an emissions

1 inspection station or emissions self-inspector may be waived or reduced if the  
2 Commission finds, pursuant to G.S. 20-183.8G, that the emissions inspection station or  
3 emissions self-inspector has implemented and maintained reasonable procedures to  
4 ensure compliance with this Article and the violation was committed by an emissions  
5 inspection mechanic without actual knowledge of the emissions inspection station or  
6 emissions self-inspector license holder."

7 **SECTION 5.** G.S. 20-183.8B(c) reads as rewritten:

8 "(c) Station or Self-Inspector Responsibility. – It is the responsibility of an  
9 emissions inspection station and an emissions self-inspector to supervise the emissions  
10 mechanics it employs. A violation by an emissions inspector mechanic is considered a  
11 violation by the station or self-inspector for whom the mechanic is employed. A license  
12 suspension or revocation outlined in subsection (b) of this section for an emissions  
13 inspection station or emissions self-inspector may be waived or reduced if the Division  
14 finds that the emissions inspection station or emissions self-inspector has implemented  
15 and maintained reasonable procedures to ensure compliance with this Article and the  
16 violation was committed by an emissions inspection mechanic without actual  
17 knowledge of the emissions inspection station or emissions self-inspector license  
18 holder."

19 **SECTION 6.** G.S.20-183.8G(f) reads as rewritten:

20 "(f) Decision. – A decision made after a hearing on the imposition of a monetary  
21 penalty against a motorist for an emissions violation or on a Type I, II, or III emissions  
22 violation by an emissions license holder must uphold any monetary penalty, license  
23 suspension, license revocation, or warning required by ~~G.S. 20-183.8A~~ G.S. 20-183.7A,  
24 G.S. 20-183.8A, or G.S. 20-183.8B, respectively, if the decision contains a finding that  
25 the motorist or license holder committed the act for which the monetary penalty, license  
26 suspension, license revocation, or warning was imposed. However, a decision to reduce  
27 or waive a suspension or revocation for a safety or emissions license holder may be  
28 made when the safety or emissions license holder has complied with the requirements  
29 established under G.S. 20-183.7A(c) or G.S. 20-183.8B. A decision made after a  
30 hearing on any other action may uphold or modify the action."

31 **SECTION 7.** G.S. 20-183.8G is amended by adding a new subsection to  
32 read:

33 "(f1) Modified Penalties. – When a decision, after proper review, has been made to  
34 reduce or waive a suspension, revocation, or penalties assessed against an emissions or  
35 safety license holder, the Commissioner may:

36 (1) Suspend or revoke the license for a period of time less than the time  
37 period specified in G.S. 20-183.7A and G.S. 20-183.8B; or

38 (2) Fine the license holder up to five hundred dollars (\$500.00) for the  
39 first violation, seven hundred fifty dollars (\$750.00) for the second  
40 violation, and up to one thousand dollars (\$1,000) for the third  
41 violation and subsequent violations; or

42 (3) A combination of subdivisions (1) and (2) of this subsection.

43 (f2) Compromise. – In any case in which the Commissioner is entitled to waive or  
44 reduce the suspension, revocation, or penalties for an emissions or safety license holder,

1 the Commissioner may accept from the license holder an offer in compromise to pay a  
2 penalty of not more than five thousand dollars (\$5,000) to the Division. The  
3 Commissioner may either accept a compromise or revoke the license holder, but not  
4 both."

5           **SECTION 8.** G.S. 20-297(a) reads as rewritten:

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

13           **SECTION 9.** Section 2 of this act becomes effective January 1, 2008, or  
14 when the Division of Motor Vehicles certifies that the appropriate equipment and  
15 system changes have been implemented statewide, whichever occurs first. The rest of  
16 this act is effective when it becomes law.