



SENATE BILL 343: Revise Vehicle Sale Laws.

2021-2022 General Assembly

Committee:	Senate Transportation. If favorable, re-refer to Commerce and Insurance. If favorable, re-refer to Rules and Operations of the Senate	Date:	May 5, 2021
Introduced by:	Sens. B. Jackson, Perry, Sawyer	Prepared by:	Wendy Ray
Analysis of:	First Edition		Staff Attorney

OVERVIEW: *Senate Bill 343 would modify the law related to motor vehicle dealers and motor vehicle sales as follows:*

- *Allow a temporary driving certificate to be used for identification purposes when conducting business with a motor vehicle dealer and for purposes of vehicle registration.*
- *Clarify that dealers are only required to provide interim insurance coverage and notification that a purchaser's financing has been approved and a certificate of origin or title executed for conditionally delivered vehicles, and that it is the responsibility of the purchaser to insure the purchased vehicle.*
- *Provide a specific numbering system for new motor vehicle dealer license plates.*

CURRENT LAW AND BILL ANALYSIS: Senate Bill 343 would amend motor vehicle laws that relate to motor vehicle dealers and motor vehicle sales.

Temporary Driving Certificates. Current law provides that, when a person applies for and is issued a drivers license, the Division of Motor Vehicles shall issue a temporary driving certificate to the applicant and later mail the license to the applicant at his or her residence from a central location. The temporary driving certificate is not valid for identification purposes, except when conducting business with the Division. Section 1 of the bill would also make the certificate valid for identification purposes when conducting business with a licensed motor vehicle dealer and for purposes of registering a motor vehicle.

Conditional Delivery of Motor Vehicles. The law generally requires a motor vehicle dealer to transfer a vehicle's certificate of origin or title to the purchaser of a vehicle at the time the vehicle is delivered to the purchaser. However, G.S. 20-75.1 allows a dealer to deliver the vehicle to the purchaser on the condition that the purchaser will obtain financing for the vehicle, at which time the certificate of origin or title would be executed. The law further provides that the dealer's insurance policy covers a conditionally delivered vehicle until financing is approved and the certificate of origin or title is executed, and the dealer is required to notify the purchaser's insurer of the purchase after approval of the purchaser's financing and execution of the certificate of origin or title.

Section 2 of the bill adds language to G.S. 20-75.1 to clarify that these provisions only apply to conditionally delivered vehicles, that the notice following approval of financing and execution of the certificate of origin or title can be made to the purchaser or the purchaser's insurer, and it is the solely the responsibility of the purchaser and not the dealer to obtain insurance for the purchased vehicle.

Dealer Plate Numbering. G.S. 20-79 provides for registration plates issuable to licensed motor vehicle dealers with specific requirements for issuance and use. Section 3 of the bill would amend G.S. 20-79 to

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provide a numbering system for dealer plates issued to new motor vehicle dealers with a unique number assigned to each licensed dealer and a sequential numbering system for all plates issued to that dealer.

EFFECTIVE DATE: The provisions related to temporary driving certificates and numbering of dealer plates would become effective October 1, 2021. The remainder of the act would be effective when it becomes law.