

GENERAL ASSEMBLY OF NORTH CAROLINA
1993 SESSION

CHAPTER 697
HOUSE BILL 1775

AN ACT TO RESOLVE A CONFLICT IN THE DEALER LICENSE PLATE LAW CONCERNING THE USE OF DEALER LICENSE PLATES ON VEHICLES USED BY A DEALER IN A BUSINESS THAT IS SEPARATE FROM THE BUSINESS OF SELLING MOTOR VEHICLES, AND TO PROVIDE THAT A REGISTRATION CARD ISSUED FOR A DEALER PLATE IS NOT REQUIRED TO BE SPECIFIC FOR THAT DEALER PLATE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 20-79(d), as amended by Section 169.4 of Chapter 321 of the 1993 Session Laws and by Section 2 of Chapter 440 of the 1993 Session Laws, reads as rewritten:

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

- (1) Is part of the inventory of the dealer.
- (2) Is not consigned to the dealer.
- (3) Is covered by liability insurance that meets the requirements of Article 9A of this Chapter.
- (4) Is not used by the dealer in another business in which the dealer is engaged.
- (5) Is driven on a highway by a person who meets the following requirements and who carries a copy of the registration card for the dealer plate displayed on the motor vehicle and any demonstration permit issued to that person while driving the motor vehicle:
 - a. Is an officer of the dealer, an employee of the dealer, or a person to whom the dealer has issued a demonstration permit.
 - b. Is at least 18 years old unless the person is test-driving the vehicle and has a demonstration permit or is an employee of the dealer and regularly works for the dealer at least 15 hours a week.

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

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

~~A dealer who sells, trades, or services farm tractors may use a dealer license plate on a vehicle that is owned by the dealer and is used to haul farm tractors or any other farm-related equipment sold, traded, or serviced by the dealer."~~

Sec. 2. G.S. 20-79(d) reads as rewritten:

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

- (1) Is part of the inventory of the dealer.
- (2) Is not consigned to the dealer.
- (3) Is covered by liability insurance that meets the requirements of Article 9A of this Chapter.
- (4) Is not used by the dealer in another business in which the dealer is engaged.
- (5) Is driven on a highway by a person who meets the following requirements and who carries a copy of the registration card for the dealer ~~plate displayed on the motor vehicle~~ plates issued to the dealer and any demonstration permit issued to that person while driving the motor vehicle:
 - a. Is an officer of the dealer, an employee of the dealer, or a person to whom the dealer has issued a demonstration permit.
 - b. Is at least 18 years old unless the person is test-driving the vehicle and has a demonstration permit or is an employee of the dealer and regularly works for the dealer at least 15 hours a week.

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

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

A dealer who sells, trades, or services farm tractors may use a dealer license plate on a vehicle that is owned by the dealer and is used to haul farm tractors or any other farm-related equipment sold, traded, or serviced by the dealer."

Sec. 3. Section 1 of this act becomes effective July 1, 1996. The remaining sections of this act are effective upon ratification.

In the General Assembly read three times and ratified this the 6th day of July, 1994.

Dennis A. Wicker
President of the Senate

Daniel Blue, Jr.
Speaker of the House of Representatives