



HOUSE BILL 550: Clarify Dealer Plate Requirements

2013-2014 General Assembly

Committee:	House Transportation, if favorable, Finance	Date:	April 12, 2015
Introduced by:	Reps. Tine, Watford, Waddell	Prepared by:	Giles S. Perry
Analysis of:	First Edition		Committee Counsel

SUMMARY: *House Bill 550 authorizes an employee of a dealer that employs no less than 15 licensed sales representatives to drive a vehicle displaying a dealer license plate.*

CURRENT LAW: G.S. 20-79 provides for the issuance of automobile license plates to licensed motor vehicle dealers. A dealer may obtain the number of dealer plates allowed by the following table:

<u>Vehicles Sold In Relevant 12-Month Period</u>	<u>Maximum Number of Plates</u>
Fewer than 12	3
At least 12 but less than 25	6
At least 25 but less than 37	7
At least 37 but less than 49	8
49 or more	At least 8, but no more than 5 times the average number of qualifying sales representatives employed by the dealer during the relevant 12-month period.

A dealer license plate may only be used on a vehicle that is part of the inventory of the dealer. Dealer plates are subject to a number of specific restrictions on use, and with certain exceptions, may only be used on a vehicle driven by certain persons for business-related purposes. However, pursuant to G.S. 20-79(d)(5) f., a dealer license plate may be displayed on a vehicle driven for any purpose by an officer, sales representative, or other employee of a franchised motor vehicle dealer or by an immediate family member of a person in one of those categories.

When a motor vehicle displaying a dealer license is driven in violation of the restrictions on the use of the plate, the following sanctions apply:

- The individual driving the motor vehicle is responsible for an infraction and is subject to a penalty of \$100.
- The dealer to whom the plate is issued is subject to a \$250 civil penalty imposed by DMV, and DMV may rescind all dealer license plates issued to the dealer.

BILL ANALYSIS: House Bill 550 authorizes an employee of a dealer that employs no less than 15 licensed sales representatives to drive a vehicle displaying a dealer license plate.

EFFECTIVE DATE: The bill would be effective when it becomes law

