



SENATE BILL 446: Dealership Loaner Vehicles

2013-2014 General Assembly

Committee: Senate Transportation
Introduced by: Sen. B. Jackson
Analysis of: First Edition

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SUMMARY: *Senate Bill 446 authorizes use of a dealer plate on a vehicle used by a customer whose vehicle is being serviced by a dealer.*

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: Senate Bill 446 authorizes a customer whose vehicle is being serviced or repaired by a dealer to use a dealer vehicle with a dealer plate, provided that the vehicle displaying the dealer plate is provided to the customer by the dealer at no charge, and only for the duration of the servicing or repair of the customer's vehicle.

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

