



This Bill Analysis reflects the contents of the bill as it was presented in committee.

SENATE BILL 385: Clarify/Auto Dealers Regulatory Req.

2019-2020 General Assembly

Committee:	Senate Commerce and Insurance. If favorable, re-refer to Rules and Operations of the Senate	Date:	May 2, 2019
Introduced by:	Sen. B. Jackson	Prepared by:	Jeremy Ray Staff Attorney
Analysis of:	First Edition		

OVERVIEW: Senate Bill 385 would make various changes to the motor vehicle laws of North Carolina which regulate motor vehicle dealers and licensing.

BACKGROUND: Article 12 of Chapter 20 of the General Statutes covers Motor Vehicle Dealers and Manufacturers Licensing Law.

BILL ANALYSIS:

SECTIONS 1 and 2. would allow individuals who have applied for a sales representative license to engage in related professional activities while their application is still pending, if actively and directly supervised by a licensed sales representative or motor vehicle dealer, and make other conforming changes.

SECTION 3. would require an application for a motor vehicle dealer license (new or used) to be accompanied by an application for a dealer plate, and to certify in the application whether the applicant or parent, subsidiary, affiliate, or any other entity related to the applicant, is a manufacturer, factory branch, factory representative, distributor, distributor branch, distributor representative, or wholesaler. If so, the applicant would be required to state whether it contends it qualifies for a motor vehicle dealer license under an exception to the prohibition of the issuance of a license for such applicants, as provided in G.S. 20-305.2(a).

SECTION 4. would make secured parties who fail or refuse to execute a release of a security interest in a vehicle in compliance with subsection (a), (a1), or (b) of G.S. 20-58.4, liable for all costs, damages, and expenses, including reasonable attorney's fees lawfully incurred by the titled owner or person satisfying the lien in any suit brought in the State for cancellation of the security interest. It would also authorize liability for a five hundred dollar (\$500) civil penalty to the Division for violations under the Section.

SECTION 5. would require any rule, change in law, or other action that directs or requires a new or adjusted fee or tax, a new or amended form prescribed by the Division, or any other change applicable to a motor vehicle sold or leased by a motor vehicle dealer, apply only to sales and leases made on or after the effective date of the new or adjusted fee or tax, new or amended form prescribed by the Division, or other change. This would prohibit application of such changes to a motor vehicle sale or lease made prior to the effective date of such changes.

EFFECTIVE DATE: This act is effective when it becomes law.

Karen Cochrane-Brown
Director



Legislative Analysis
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