

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE BILL 692
Committee Substitute Favorable 4/7/03

Short Title: Auto Auctioneers-No Dealer License Needed.

(Public)

Sponsors:

Referred to:

March 26, 2003

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE THAT LICENSED AUCTIONEERS CONDUCTING
2 AUCTIONS FOR MOTOR VEHICLE DEALERS DO NOT NEED MOTOR
3 VEHICLE DEALER LICENSES.
4

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 20-286(11) reads as rewritten:

7 "**§ 20-286. Definitions.**

8 The following definitions apply in this Article:

9 ...

10 (11) Motor vehicle dealer or dealer. –

11 a. A person who does any of the following:

- 12 1. For commission, money, or other thing of value, buys,
13 sells, or exchanges, whether outright or on conditional
14 sale, bailment lease, chattel mortgage, or otherwise, five
15 or more motor vehicles within any 12 consecutive
16 months, regardless of who owns the motor vehicles.
- 17 2. On behalf of another and for commission, money, or
18 other thing of value, arranges, offers, attempts to solicit,
19 or attempts to negotiate the sale, purchase, or exchange
20 of an interest in five or more motor vehicles within any
21 12 consecutive months, regardless of who owns the
22 motor vehicles.
- 23 3. Engages, wholly or in part, in the business of selling new
24 motor vehicles or new or used motor vehicles, or used
25 motor vehicles only, whether or not the motor vehicles
26 are owned by that person, and sells five or more motor
27 vehicles within any 12 consecutive months.

- 1 4. Offers to sell, displays, or permits the display for sale for
2 any form of compensation five or more motor vehicles
3 within any 12 consecutive months.
- 4 5. Primarily engages in the leasing or renting of motor
5 vehicles to others and sells or offers to sell those vehicles
6 at retail.
- 7 b. The term "motor vehicle dealer" or "dealer" does not include
8 any of the following:
 - 9 1. Receivers, trustees, administrators, executors, guardians,
10 or other persons appointed by or acting under the
11 judgment or order of any court.
 - 12 2. Public officers while performing their official duties.
 - 13 3. Persons disposing of motor vehicles acquired for their
14 own use or the use of a family member, and actually so
15 used, when the vehicles have been acquired and used in
16 good faith and not for the purpose of avoiding the
17 provisions of this Article.
 - 18 4. Persons who sell motor vehicles as an incident to their
19 principal business but who are not engaged primarily in
20 the selling of motor vehicles. This category includes
21 financial institutions who sell repossessed motor vehicles
22 and insurance companies who sell motor vehicles to
23 which they have taken title as an incident of payments
24 made under policies of insurance, and auctioneers who
25 sell motor vehicles for the owners or the heirs of the
26 owners of those vehicles as part of an auction of other
27 personal or real property or for the purpose of settling an
28 estate or closing a business or who sell motor vehicles on
29 behalf of a governmental entity, and who do not
30 maintain a used car lot or building with one or more
31 employed motor vehicle sales representatives.
 - 32 5. Persons manufacturing, distributing or selling trailers
33 and semitrailers weighing not more than 750 pounds and
34 carrying not more than a 1,500 pound load.
 - 35 6. A licensed real estate broker or salesman who sells a
36 mobile home for the owner as an incident to the sale of
37 land upon which the mobile home is located.
 - 38 7. An employee of an organization arranging for the
39 purchase or lease by the organization of vehicles for use
40 in the organization's business.
 - 41 8. Any publication, broadcast, or other communications
42 media when engaged in the business of advertising, but
43 not otherwise arranging for the sale of motor vehicles
44 owned by others.

- 1 9. Any person dealing solely in the sale or lease of vehicles
2 designed exclusively for off-road use.
3 10. Any real property owner who leases any interest in
4 property for use by a dealer.
5 11. Any person acquiring any interest in a motor vehicle for
6 a family member.
7 12. Any auctioneer licensed pursuant to Chapter 85B of the
8 General Statutes employed to be an auctioneer of motor
9 vehicles for a licensed motor vehicle dealer, while
10 conducting an auction for that dealer."

11 **SECTION 2.** This act is effective when it becomes law.