SENATE BILL 343:
Revise Vehicle Sale Laws.

2021-2022 General Assembly

Committee:	Senate Commerce and Insurance. If favorable, re-refer to Rules and Operations of the Senate	**Date:**	May 6, 2021
Introduced by:	Sens. B. Jackson, Perry, Sawyer	**Prepared by:**	Wendy Ray Staff Attorney
Analysis of:	Second Edition		

OVERVIEW: Senate Bill 343 would modify the law related to motor vehicle dealers and motor vehicle sales to clarify that dealers are only required to provide interim insurance coverage and notification that a purchaser's financing has been approved and a certificate of origin or title executed for conditionally delivered vehicles, and that it is the responsibility of the purchaser to insure the purchased vehicle.

CURRENT LAW: The law generally requires a motor vehicle dealer to transfer a vehicle's certificate of origin or title to the purchaser of a vehicle at the time the vehicle is delivered to the purchaser. However, G.S. 20-75.1 allows a dealer to deliver the vehicle to the purchaser on the condition that the purchaser will obtain financing for the vehicle, at which time the certificate of origin or title would be executed. The law further provides that the dealer's insurance policy covers a conditionally delivered vehicle until financing is approved and the certificate of origin or title is executed, and the dealer is required to notify the purchaser's insurer of the purchase after approval of the purchaser's financing and execution of the certificate of origin or title.

BILL ANALYSIS: Senate Bill 343 clarifies the law by adding language to G.S. 20-75.1 to clarify that its provisions only apply to conditionally delivered vehicles, that the notice following approval of financing and execution of the certificate of origin or title can be made to the purchaser or the purchaser's insurer, and that it is the solely the responsibility of the purchaser and not the dealer to obtain insurance for the purchased vehicle.

EFFECTIVE DATE: The act would be effective when it becomes law.

Jeffrey Hudson
Director

S343-SMSU-22-E2-V-1

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This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.