

### **19A NCAC 03D .0217 APPLICATION FOR LICENSE**

(a) Applications for all licenses required by the Motor Vehicle Dealers and Manufacturers Licensing Law shall be made on forms furnished by the Division and signed by the Owner, partner or proper officer of a corporation and filed with the Enforcement Section, N. C. Division of Motor Vehicles; Raleigh, North Carolina 27697, accompanied by the necessary fees; provided, the Division shall not issue a motor vehicle dealer license to a new motor vehicle dealer unless or until the applicant has satisfied the Division that a distributor or manufacturer has awarded the applicant a franchise to sell new motor vehicles in the relevant market area for which a license is sought.

(b) The application and annual renewal of license to do business as a manufacturer, factory branch, distributor, distributor branch, wholesaler or dealer, must be signed by the owner, partner or an officer of the corporation. The application for license as a motor vehicle sales representative, distributor or factory representative must be certified by the owner, partner, or an officer of the corporation.

(c) Application for all licenses required by the Motor Vehicle Dealers and Manufacturers Licensing Law must accurately describe the physical location of the business such as: street number, street name, city, state and zip code. If a post office box or rural route is used, the above information must also be included. It is not permissible to have a mailing address different from the actual location of the business. Wholesale applicants must supply the Division with a telephone number at which such business may be contacted by a representative of the Division concerning records and sales transactions.

(d) Each applicant prior to being approved for license as a motor vehicle dealer, manufacturer, distributor, distributor branch, wholesaler or factory branch shall furnish a corporate surety bond, cash bond or fixed value equivalent thereof as required by G.S. 20-288(e). This bond shall remain in force and effect so long as the licensee remains in business. When a cash bond or equivalent thereof is filed with the Division, same shall remain in effect for a period of four years after termination of business. The name and address appearing on the bond must be exactly as shown on the application.

(e) The Division must have evidence of an assumed name being filed with the Register of Deeds in the county in North Carolina where the business is maintained when such business is operated under any designation, name or style other than the real name of the owner or owners thereof or under its corporate name. After this filing when there is a change of name or ownership, evidence of this change being filed with the Register of Deeds shall be furnished to the Division of Motor Vehicles.

(f) A foreign corporation must procure a certificate of authority from the North Carolina Secretary of State before being licensed to operate in this State under the Motor Vehicle Dealers and Manufacturers Licensing Law and provide written proof of same to the Division.

(g) Before a North Carolina corporation can be licensed under the Motor Vehicle Dealer and Manufacturers Licensing Law, articles of incorporation must have been filed with the North Carolina Secretary of State, and written proof of same provided to the Division.

(h) Before the Division shall issue licenses required by the Motor Vehicle Dealers and Manufacturers Licensing Law, the established salesroom or established office shall be in compliance with all state, county and municipal zoning ordinances or regulations, and written proof of same provided to the Division.

(i) Prior to issuance of licenses required by the Motor Vehicle Dealers and Manufacturers Licensing Law, the applicant must purchase all required state and local "Traders" licenses and provide written proof of same to the Division.

(j) License fees for each fiscal year, or part thereof, shall be as provided under G.S. 20-289; provided no license shall be issued until the fees for license required by G.S. 20-87(7) have been paid to the Division.

(k) Upon receipt of application for any license required by the Motor Vehicle Dealers and Manufacturers Licensing Law, the Commissioner shall cause an investigation to be made to determine whether the applicant meets the requirements of law for licensing as a motor vehicle dealer, manufacturer, factory branch, distributor, distributor branch, wholesaler, motor vehicle sales representative, factory representative or distributor branch representative, and this shall include the inspection of the proposed location, applications and other required documents by an agent of the Enforcement Section.

(l) When an applicant for a license under this Section is approved, based upon the application and the results of investigation made, the applicant will be issued license subject to the following limitations:

- (1) A license issued under the Motor Vehicle Dealers and Manufacturers Licensing Law shall be valid until suspended, revoked or expired. The license must be at all times conspicuously displayed at the place designated by the Division.
- (2) Any motor vehicle dealer, manufacturer, factory branch, distributor, distributor branch, or wholesaler who moves his place of business from the location for which license was issued shall immediately notify the Enforcement Section, North Carolina Division of Motor Vehicles, of such

change of location and shall not engage in the business of buying, selling, trading or manufacturing motor vehicles until the new location has been inspected and approved by an agent of the Division and the necessary form and additional fees, if any, have been submitted to the Division.

- (3) A license issued pursuant to Article 12 of Chapter 20 of the General Statutes shall not be assignable and shall be valid only for the owner, or owners in whose name or names it is issued and for transaction of business only at place designated therein. If an individual, partnership or proprietorship should incorporate, new fees are due.
  - (4) The Division shall be notified when there is a change of name and the licensee shall produce evidence that a bond as required by G.S. 20-288(e) is in effect.
- (m) The Commissioner shall deny the application for any license under the Motor Vehicle Dealers and Manufacturers Licensing Law of any applicant who fails to meet the qualifications set out in Article 12 of Chapter 20 of the North Carolina General Statutes. Upon denial, applicant:
- (1) Shall be notified by certified mail within 30 days from denial of license, directed to the address shown by applicant on application form.
  - (2) Upon request, shall be afforded a hearing by the Commissioner of Motor Vehicles as required under provisions of G.S. 20-295.
- (n) Every motor vehicle sales representative who engages in business in this State as such must obtain a license. Applicants for a motor vehicle sales representative's license shall be subject to the following provisions:
- (1) A sales representative, factory representative, or distributor representative, must be employed by a motor vehicle dealer, manufacturer, factory branch, distributor, distributor branch, or wholesaler.
  - (2) All applications for sales representative, factory representative, and distributor representative licenses must be made on forms furnished by the Division. Each application must be signed by the applicant and endorsed by the employer or employers.
  - (3) All sales representative, factory representative, and distributor representative licenses shall be valid until suspended, revoked, or expiration, or until employment as a sales representative, factory representative for which it is issued is terminated.
  - (4) All sales representatives, factory representatives, and distributor representatives shall at the time of changing employment return his license and make application to the Division on forms furnished by the Division designating the name and address of the new employer and must be signed by the applicant and endorsed by the employer or employers.

*History Note:* Authority G.S. 20-1; 20-52.1; 20-75; 20-79; 20-82; 20-286(6) and (15); 20-287; 20-288; 20-290(a); 20-291; 20-294 through 20-296; 20-301 through 20-305; 20-305.1 through 20-305.3; 66-68;  
Eff. June 1, 1988;  
Amended Eff. January 1, 1994; October 1, 1991; September 1, 1991;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. September 22, 2018.