

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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SENATE BILL 343
PROPOSED COMMITTEE SUBSTITUTE S343-PCS45417-SU-10

Short Title: Revise Vehicle Sale Laws.

(Public)

Sponsors:

Referred to:

March 25, 2021

1 A BILL TO BE ENTITLED
2 AN ACT TO REVISE AND CLARIFY CERTAIN LAWS GOVERNING THE SALE OF
3 MOTOR VEHICLES.

4 The General Assembly of North Carolina enacts:

6 **CONDITIONAL DELIVERY CLARIFICATION**

7 **SECTION 1.** G.S. 20-75.1 reads as rewritten:

8 **"§ 20-75.1. Conditional delivery of motor vehicles.**

9 Notwithstanding G.S. 20-52.1, 20-72, and 20-75, nothing contained in those sections
10 prohibits a dealer from entering into a contract with any purchaser for the sale of a vehicle and
11 delivering the vehicle to the purchaser under terms by which the dealer's obligation to execute
12 the manufacturer's certificate of origin or the certificate of title is conditioned on the purchaser
13 obtaining financing for the purchase of the vehicle. Liability, collision, and comprehensive
14 insurance on a vehicle sold and delivered conditioned on the purchaser obtaining financing for
15 the purchaser of the vehicle shall be covered by the dealer's insurance policy until such financing
16 is finally approved and execution of the manufacturer's certificate of origin or execution of the
17 certificate of title. Upon final approval and execution of the manufacturer's certificate of origin
18 or the certificate of title, and upon the purchaser having liability insurance on another vehicle,
19 the delivered vehicle shall be covered by the purchaser's insurance policy beginning at the time
20 of final financial approval and execution of the manufacturer's certificate of origin or the
21 certificate of title. ~~The~~ For conditionally delivered vehicles, the dealer shall notify the purchaser,
22 the insurance agency servicing the purchaser's insurance policy or the purchaser's insurer of the
23 purchase on the day of, or if the insurance agency or insurer is not open for business, on the next
24 business day following approval of the purchaser's financing and execution of the manufacturer's
25 certificate of origin or the certificate of title. The purchaser shall be solely responsible for
26 obtaining and paying for insurance on the purchased vehicle, and the dealer shall in no instance
27 be liable in the event the purchaser fails to place insurance on the purchased vehicle. This
28 subsection is in addition to any other provisions of law or insurance policies and does not repeal
29 or supersede those provisions."

31 **EFFECTIVE DATE**

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



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