

March 15, 2001

**S 470. CLARIFY MV DEALER FRANCHISE LAWS. TO CLARIFY THE MOTOR VEHICLE DEALER FRANCHISE LAW.** Makes several changes to clarify relationship between new motor vehicle dealers and manufacturers. (1) Amends GS 20-287 to make it unlawful for any person or entity to sell or take steps to sell a new motor vehicle without current valid franchise issued by manufacturer. (2) Adds new GS 20-301.1 to provide that manufacturers must give dealers detailed description of any charges other than published cost of new motor vehicles. Allows dealer to challenge charge by filing petition before the Comm'r of Motor Vehicles or by using informal dispute resolution procedure set out in act. (3) Amends GS 20-305(30) to clarify that it is unlawful for manufacturer to make a vehicle or accessory available to any dealer at a lower actual price than is available to all other dealers. Allows rebates, incentives, or other payments as long as they are uniformly available to all dealers. (4) Adds new GS 20-305.6 to make it unlawful for manufacturer or captive finance company to treat some dealers on a more favorable basis than others. (5) Amends GS 20-308.1 to broaden causes of action under act and to provide for triple damages. (6) Grants association standing to file petition before Comm'r or to sue for violation of Motor Vehicles Dealers and Manufacturers Licensing Law if association has membership of at least 500 dealerships and meets conditions set out in act. Provides that cognizable injury is action by manufacturer or by State of North Carolina that actually harms or affects, or threatens to harm or affect, all new motor vehicle dealers in NC. (7) Amends GS 20-305 to provide that it is unlawful for manufacturer to assign or change dealer's area of responsibility arbitrarily or without due regard to pattern of sales and registrations within that market.

**Intro. by Hoyle, Plyler, Dalton, Carter.**

Ref. to Commerce	GS 20
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April 25, 2001

**S 470. CLARIFY MV DEALER FRANCHISE LAWS.** Intro. 3/15/01. Senate committee substitute makes the following changes to 1st edition. (1) Deletes original bill's amendments to GS 20-287 (concerning dealer, distributor, and wholesaler licenses). (2) Revises bill's procedures in new GS 301.1(c) for resolution of challenges by dealer to a charge to the dealer's account of \$10,000 or less. Original bill set up an informal dispute resolution procedure. The committee substitute creates a mediated settlement conference procedure. Dealer requests conference with letter stating grievance. Dealer determines whether both sides will be represented by counsel. Commissioner appoints mediator. Parties select time and place; if they disagree, mediator selects. Manufacturer or distributor responds to grievance. Parties bear the expense of the mediation. Mediator promotes settlement, does not impose his or her judgment. If mediation fails, dealer may bring a civil action. (3) Revises the bill's changes in GS 20-305(30) regarding unlawfully offering vehicles at different prices to different dealers and setting out circumstances in which it is lawful for the manufacturer or distributor to vary prices according to rebate or incentive programs. (4) Revises the bill's changes in GS 20-305.6(b) regarding unlawful differences in financing arrangements between manufacturers or distributors and dealers. (5) Revises the bill's changes in GS 20-308.1 concerning damages attainable in a civil action. (6) Adds new GS 20-305(39) making it unlawful for a manufacturer or distributor to require certain sign purchases. (7) Changes effective date to Dec. 31, 2001.

August 14, 2001

**S 470. CLARIFY MV DEALER FRANCHISE LAWS.** Intro. 3/15/01. House committee substitute makes the following changes to 2nd edition. Makes miscellaneous changes to proposed new GS 20-301.1. Makes most proposed changes to GS 20-305(30) effective March 1, 2003, instead of when act becomes law. Amends GS 20-305.2 by adding new subdivision (7) to provide that section does not prohibit ownership or operation of dealership that sells primarily recreation vehicles by manufacturer or distributor if manufacturer or distributor owned or operated dealership as of Oct. 1, 2001. Makes miscellaneous changes to GS 20-305.6. Changes proposed amendment to GS 20-308.1(d) to require mediation before bringing action.