

March 22, 2001

**S 649. MV DEALER DISCLOSURE OF CERTAIN FEES. TO REQUIRE CONSPICUOUS DISCLOSURE OF MOTOR VEHICLE DEALER ADMINISTRATIVE FEES AND FINANCE YIELD CHARGES AND TO INCREASE DEALER SURETY BOND PROTECTION.** (1) Adds new GS 20-101.1 providing that a motor vehicle dealer may not charge an administrative, origination, documentary, procurement, or other similar administrative fee related to the sale or lease of a vehicle unless the dealer (a) has posted a notice that such fees may be charged, (b) discloses the amount of any such fee in price advertising of vehicles, and (c) separately states the amount of the fee on the purchase order or bill of sale. (2) In same new section, makes it unlawful for a manufacturer or distributor of motor vehicles (a) to prohibit or attempt to prohibit a motor vehicle dealer from charging such fees or (b) to prohibit a dealer from participating in a program relating to the sale of vehicles or reduce the dealer compensation based on the dealer's willingness to refrain from charging or reducing any such fees. (3) Adds new GS 20-101.2 providing that a motor vehicle dealer may not charge a fee or receive compensation for providing or arranging for financing for a customer unless the dealer (a) has posted a notice that the dealer may receive such compensation for which the customer may be responsible and (b) discloses on the purchase order or bill of sale the fact that the dealer may receive such compensation. Nothing requires the dealer to disclose the amount of the compensation. (4) Provides that nothing in these new requirements is to be deemed to impose any civil or criminal liability on dealers for failure to disclose. (5) Amends GS 20-288(e) to raise the corporate surety bond required of dealers from \$25,000 to \$50,000 for one established showroom and from \$10,000 to \$25,000 for each additional showroom. Also amends the section to make clear that a motor vehicle dealer who is a purchaser of a vehicle has the same right to institute an action to recover against a dealer-seller and the surety as other purchasers do. Bond provisions effective when they become law; remaining provisions effective Oct. 1, 2001.

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

Ref. to Commerce	GS 20
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September 20, 2001

**S 649. MV DEALER DISCLOSURE OF CERTAIN FEES.** Intro. 3/22/01. House committee substitute makes the following changes to 1st edition. Changes title to *AN ACT TO REQUIRE CONSPICUOUS DISCLOSURE OF MOTOR VEHICLE DEALER ADMINISTRATIVE FEES AND FINANCE YIELD CHARGES AND TO INCREASE DEALER SURETY BOND PROTECTION AND TO CLARIFY THE LAW CONCERNING SALVAGE MOTOR VEHICLES*. Effective upon ratification and expiring Nov. 1, 2001, adds provision requiring DMV to issue or reissue an unbranded title for vehicles titled in NC between July 20, 2001, and Nov. 1, 2001, pursuant to GS 20-71.3 if the vehicle was a motor vehicle damaged by collision or other occurrence and if the cost of repairs did not exceed 75% of its fair market value. Changes effective date for other provisions to Dec. 1, 2001.