

March 21, 2007

**S 1350. FAIR COMPENSATION FOR MV DEALER TERMINATION.** Filed 3/21/07. *TO REQUIRE THAT FAIR COMPETITION BE PAID TO FRANCHISED MOTOR VEHICLE DEALERS TERMINATED AS A RESULT OF INDUSTRY REORGANIZATION.*

To be summarized in tomorrow's *Daily Bulletin*.

**Intro. by Hoyle.**

GS 20

March 22, 2007

**S 1350. FAIR COMPENSATION FOR MV DEALER TERMINATION.** Filed 3/21/07. *TO REQUIRE THAT FAIR COMPETITION BE PAID TO FRANCHISED MOTOR VEHICLE DEALERS TERMINATED AS A RESULT OF INDUSTRY REORGANIZATION.*

Amends GS 20-305 to require that notice of termination be given to a franchised motor vehicle dealer when franchises are terminated, cancelled, or not renewed as the result of industry reorganization as defined by the bill. Notice must be given not less than 180 days before termination. Also requires the manufacturer or distributor to pay the franchise dealer an amount not less than the fair market value of the franchise, and specifies how the market value is to be determined. Also specifies that any manufacturer or distributor that maintains a network of franchised dealers in this state who acquires rights to sell vehicles under the same line-make as dealers who currently hold a franchise for the same make or whose franchise has been terminated because of industry reorganization, must continue the franchise in effect, offer a replacement franchise, or compensate the dealers as set forth in bill to the extent the dealer has not already been compensated. Effective July 1, 2007, and applies to all franchises, contracts, and agreements between motor vehicle dealers and manufacturers or distributors whether entered into before or after the effective date.

**Intro. by Hoyle.**

GS 20

May 16, 2007

**S 1350. FAIR COMPENSATION FOR MV DEALER TERMINATION.** Filed 3/21/07. Senate committee substitute makes the following changes to 1st edition. Modifies proposed amendment to GS 20-305(6)d.3. by changing one of the options for assessing the liability of the manufacturer to the dealer for certain terminations, cancellations, or nonrenewals from an amount equivalent to the fair market value of the franchise on the day three years before the date on which notice of termination, cancellation, or nonrenewal was issued to an amount equivalent to the fair market value on the day two years before the date on which notice was issued. Also makes stylistic changes to the provision. Rewrites proposed new GS 20-305(6)g. to provide that a franchise continues in full force and operation notwithstanding a change in an established plan or system of distribution of motor vehicles offered for sale under the franchise, and that when there is such a change, the Division of Motor Vehicles must deny an application of a manufacturer, factory branch, distributor, or distributor branch for a license or license renewal unless that party has offered to each dealer who is a party to a franchise for that line make a new franchise agreement on substantially the same terms.

July 10, 2007

**S 1350. CLARIFY MV REGISTRATION REQUIREMENTS (NEW).** Filed 3/21/07. House committee substitute deletes the provisions of the 2nd edition and replaces it with *AN ACT TO CLARIFY MOTOR VEHICLE REGISTRATION REQUIREMENTS*. Repeals SL 2007-164, Section 4, which amended GS 20-52(a) to require owners of vehicles subject to registration by the Division of Motor Vehicles (DMV) to provide the owner's North Carolina driver's license number or North Carolina special identification card on the registration application form. Effective September 1, 2007, amends GS 20-52 to require owners of vehicles subject to registration by DMV to provide on the registration application form (1) the owner's North Carolina driver's license number or North Carolina special identification card, or (2) the owner's home state license number or special identification card number in addition to other required information if the individual is on active military duty and stationed in North Carolina, if the individual is a permanent resident of

another state but enrolled in a school in North Carolina, or if the individual intends to principally garage the vehicle in North Carolina. Provides that if the vehicle has more than one owner, only one of the owners must provide the requested information.

Provides that applications for notation of security interest which had been completed but not yet submitted to or processed by DMV by the act's effective date because one or more of the owners did not possess a North Carolina driver's license or special identification card are perfected as of the date that the security agreement was executed, if the application and fee are delivered to DMV within 20 days of the act's effective date.

Provides that the time limits and penalties provided for in GS 20-73 (requiring a new owner to get a new certificate of title) do not apply to any completed application that had not been submitted or processed by the DMV by the act's effective date because one or more of the owners did not have a North Carolina drivers license or special identification card, if the requirements of GS 20-73 are met within 28 days of the act's effective date.

July 12, 2007

**SL 2007-209 (S 1350). CLARIFY MV REGISTRATION REQUIREMENTS. AN ACT TO CLARIFY MOTOR VEHICLE REGISTRATION REQUIREMENTS.** Summarized in *Daily Bulletin* 7/10/07. Enacted July 11, 2007. Section 2 is effective September 1, 2007. The remainder is effective July 11, 2007.