

March 25, 2009

S 913. CLARIFY MOTOR VEHICLE FRANCHISE LAWS. Filed 3/25/09. *TO CLARIFY MOTOR VEHICLE DEALERS AND MANUFACTURERS LICENSING LAWS.*

Amends GS 20-305(4) to allow the relocation or addition of another franchise to a dealership facility notwithstanding the terms of any franchise agreement, if the Commissioner of Motor Vehicles has determined that the failure to allow the relocation of another franchise is unreasonable under the circumstances.

Amends GS 20-305(28) to clarify that a manufacturer may require that a new motor vehicle dealer fairly represent and inventory the full line of current model year new motor vehicles which are covered by a franchise agreement only if the dealer could reasonably be expected to sell in the dealer's market, and provided that such inventory representation requirements are not unreasonable under the circumstances.

Amends GS 20-305(30) to extend the date to June 30, 2014 (was June 30, 2010), until which a manufacturer may continue to operate a program that varied the price charged to its franchised dealers in the state in a manner that violates GS 20-305(30).

Adds new subsection to GS 20-305.1 to make it unlawful for a manufacturer to discriminate against any dealer located in the state, on the basis that the dealer sold or leased a motor vehicle to a customer who either exported the vehicle to a foreign country or who resold the vehicle to a third party, unless the dealer possessed actual knowledge that the customer intended to export or resell the motor vehicle before the customer's purchase of the vehicle from the dealer. Provides non-exclusive list of prohibited conduct by a manufacturer. Specifies that there is a conclusive presumption that the dealer did not have the requisite knowledge at the time of the sale if certain specified criteria are met.

Adds new subsection to GS 20-305.1 to make the provisions of (a), (b), (b1), and (c) of the section that apply to a motor vehicle manufacturer also apply to a component parts manufacturer. Defines component parts and component parts manufacturer.

Provides that if any provision of the act or its application is held invalid, the invalidity does not affect other provisions or applications of the act.

Intro. by Hoyle.

GS 20

May 12, 2009

S 913. CLARIFY MOTOR VEHICLE FRANCHISE LAWS. Filed 3/25/09. Senate committee substitute makes the following changes to 1st edition. Amends proposed changes to GS 20-305(4) to include the addition of a different line-make franchise to the list of actions that a motor vehicle manufacturer or distributor may not prevent or refuse approval of except when such actions fail to meet the specified standards. Provides that the only issues for determination by the Commissioner of Motor Vehicles, with respect to a proposed addition or relocation of a different line-make franchise to a dealership facility, are whether the sales, service, and parts facilities would be sufficient to handle the reasonably expected demands of the multi-franchise dealership and whether the dealership possesses sufficient working capital and line of credit to handle those needs. Provides for a rebuttable presumption (was, conclusive presumption) that a dealer, prior to the customer's purchase of the vehicle, did not know nor reasonably should have known (was, no actual knowledge) that the customer intended to export or resell the motor vehicle if certain conditions are met. Also makes technical changes to proposed changes to GS 20-305(28) and to proposed new GS 20-305.1(b3).

June 25, 2009

S 913. CLARIFY MV FRANCHISE LAWS/TERMINATION ASSIST (NEW). Filed 3/25/09. House committee substitute makes the following changes to 2nd edition. Amends GS 20-305(6) to provide that, upon the cessation of business or the termination, cancellation, or nonrenewal of any franchise by any *new* motor vehicle dealer located in North Carolina, or upon any of the occurrences set out in GS 20-305(c)c.1.IV, the manufacturer or distributor is required to purchase from or compensate the dealer for specified motor vehicles, parts, equipment, and tools from the dealer using the specified compensation formula set out in this section (was, fair and reasonable compensation in specified conditions). Creates a compensation formula and establishes a time

frame and procedure for compensation. Provides that subdivision (e), regarding dealership facilities assistance upon termination, cancellation, or renewal, does not apply when the new motor vehicle dealer terminates, cancels, or fails to renew the franchise agreement as the result of the sale of assets or stock of the motor vehicle dealership. Provides conditions under which provisions of subdivision (d), compensation to a new motor vehicle dealer, and (e) do not apply if a new motor vehicle dealer of recreational vehicle motor homes initiates the termination, cancellation, or nonrenewal.

Provides that the terms and provisions of the bill are applicable to all franchise agreements in existence as of the effective date of the bill, and to all future franchises and agreements.

Amends the title.

July 6, 2009

S 913. CLARIFY MV FRANCHISE LAWS/TERMINATION ASSIST. Filed 3/25/09. House committee substitute makes the following changes to 3rd edition. Deletes proposed changes to GS 20-305(4) (regarding the relocation or addition of another franchise to a dealership facility notwithstanding the terms of any franchise agreement).

July 8, 2009

S 913. CLARIFY MV FRANCHISE LAWS/TERMINATION ASSIST. Filed 3/25/09. House amendment makes the following changes to 4th edition. Clarifies in proposed amended GS 20-305(6)d.1.i. that for the purposes of this sub-subdivision, *ordinary course of business* includes inventory transfers of all new, same line-make vehicles between affiliated dealerships, or otherwise between dealerships having common or interrelated ownership, *provided that the transfer is not intended solely for the purpose of benefiting from the termination assistance described in this sub-subdivision.*

July 27, 2009

SL 2009-338 (S 913). CLARIFY MOTOR VEHICLE FRANCHISE LAWS/TERMINATION ASSISTANCE. *AN ACT TO CLARIFY MOTOR VEHICLE DEALERS AND MANUFACTURERS LICENSING LAWS AND DEALER TERMINATION ASSISTANCE RIGHTS.* Summarized in *Daily Bulletin* 3/25/09, 5/12/09, 6/25/09, 7/6/09, and 7/8/09. Enacted July 24, 2009. Effective July 24, 2009.