

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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SENATE BILL 413
Commerce and Insurance Committee Substitute Adopted 4/20/17

Short Title: Clarify Motor Vehicle Dealer Laws.

(Public)

Sponsors:

Referred to:

March 29, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY MOTOR VEHICLE DEALERS AND MANUFACTURERS
3 LICENSING LAWS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 20-288(a1)(2) reads as rewritten:

6 "(2) Proof that the applicant, within the last 12 months, has completed a 12-hour
7 licensing course approved by the Division if the applicant is seeking an
8 initial license and a six-hour course approved by the Division if the applicant
9 is seeking a renewal license. The requirements of this subdivision do not
10 apply to a used motor vehicle dealer the primary business of which is the
11 sale of salvage vehicles on behalf of insurers or to a manufactured home
12 dealer licensed under G.S. 143-143.11 who complies with the continuing
13 education requirements of G.S. 143-143.11B. The requirement of this
14 subdivision does not apply to persons age 62 or older as of July 1, 2002, who
15 are seeking a renewal license. This subdivision also does not apply to an
16 applicant who holds a license as a new motor vehicle dealer as defined in
17 G.S. 20-286(13) and operates from an established showroom ~~20 miles or less~~
18 ~~from~~ located in an area within a radius of 30 miles around the location of the
19 established showroom for which the applicant seeks a used motor vehicle
20 dealer license. An applicant who also holds a license as a new motor vehicle
21 dealer may designate a representative to complete the licensing course
22 required by this subdivision."

23 **SECTION 2.** Article 3 of Chapter 20 of the General Statutes is amended by adding
24 a new section to read:

25 "**§ 20-101.3. Conspicuous disclosure of dealer shop and other service-related fees.**

26 (a) Requirement. – A motor vehicle dealer shall not charge shop fees in conjunction
27 with service work performed by the dealer or other discretionary fees relating to environmental
28 or regulatory compliance, record retention, or other costs incurred by the dealer in conjunction
29 with service work performed by the dealer, whether or not the fees are attributable to or include
30 the dealer's internal overhead or profit, unless the dealer complies with both of the following
31 requirements:

32 (1) The dealer shall post a conspicuous notice in the service area of the
33 dealership measuring at least 24 inches on each side informing customers
34 that fees regulated by this section may or will be charged and that customers
35 should inquire of dealership personnel if they would like to know the type
36 and amount or basis of the fees charged by the dealer.



1 (2) The total amount of all fees regulated by this section shall be disclosed on
2 the customer's repair order or repair invoice. Nothing in this subdivision
3 shall be construed as requiring a dealer to list separately each fee charged by
4 the dealer.

5 (b) Discretion. – Notwithstanding any provision of law to the contrary, a dealer is not
6 required to charge a shop or other service-related fee regulated under this section and may
7 reduce the amount of any or all fees charged."

8 **SECTION 3.** Section 1 of this act is effective when it becomes law and applies to
9 all current and future franchises and other agreements in existence between any new motor
10 vehicle dealer located in this State and a manufacturer or distributor as of the effective date of
11 this act. Section 2 of this act becomes effective January 1, 2018, and applies to fees charged on
12 or after that date. The remainder of this act is effective when it becomes law.