

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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HOUSE BILL 447  
Committee Substitute Favorable 4/26/23  
PROPOSED SENATE COMMITTEE SUBSTITUTE H447-PCS30398-SU-11

Short Title: Clarify Motor Vehicle Dealer Laws.

(Public)

Sponsors:

Referred to:

March 23, 2023

1 A BILL TO BE ENTITLED  
2 AN ACT TO CLARIFY VARIOUS MOTOR VEHICLE DEALER LAWS.  
3 The General Assembly of North Carolina enacts:

4  
5 **DEALER INDEPENDENCE AND INCREASING THE AVAILABILITY OF ELECTRIC**  
6 **VEHICLES FOR RURAL CONSUMERS**

7 **SECTION 1.(a)** G.S. 20-305(53) reads as rewritten:

8 "(53) Notwithstanding the terms of any franchise or agreement, or the terms of any  
9 program or policy, to do any of the following if it has any franchised dealers  
10 in this ~~State~~ and if State:

11 a. If it permits retail customers the option of reserving or requesting to  
12 purchase or lease a vehicle directly from such manufacturer or  
13 ~~distributor~~; distributor, to do any of the following:

14 a.1. Fail to assign any retail vehicle reservation or request to  
15 purchase or lease received by the manufacturer or distributor  
16 from a resident of this State to the franchised dealer authorized  
17 to sell that make and model which is designated by the  
18 customer, or if none is designated, to its franchised dealer  
19 authorized to sell that make and model located in closest  
20 proximity to the customer's location, provided that if the  
21 customer does not purchase or lease the vehicle from that  
22 dealer within 10 days of the vehicle being assigned to the  
23 dealer, or if the customer requests that the transaction be  
24 assigned to another dealer, then the manufacturer or distributor  
25 may assign the transaction to another franchised dealer  
26 authorized to sell that make and model.

27 ~~b.2.~~ Prohibit a retail customer that has reserved or requested to  
28 purchase or lease a vehicle directly from the manufacturer or  
29 distributor from negotiating the final purchase price of the  
30 vehicle directly with the dealer if the dealer is authorized to sell  
31 that make and model and to agree on a final price for a new  
32 motor vehicle which varies from the MSRP established by the  
33 manufacturer or distributor.

34 ~~e.3.~~ Prohibit a retail customer that has reserved or requested to  
35 purchase or lease a vehicle directly from the manufacturer or



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- 1 distributor from using any vehicle financing or leasing source  
2 available from or through the dealer to whom the customer's  
3 vehicle reservation or request to purchase or lease has been  
4 assigned or to prohibit a franchised dealer in this State from  
5 offering and negotiating directly with the customer the terms  
6 of vehicle financing or leasing through all sources available to  
7 the dealer.
- 8 ~~d.4.~~ Prohibit a retail customer that has reserved or requested to  
9 purchase or lease a vehicle directly from the manufacturer or  
10 distributor from purchasing on terms negotiated or agreed to  
11 directly between the customer and the dealer to whom the  
12 customer's reservation or request to purchase or lease has been  
13 assigned, any service contract, extended warranty, vehicle  
14 maintenance contract, or guaranteed asset protection (GAP)  
15 agreement, or any other vehicle-related products and services  
16 offered by the dealer, provided that a manufacturer, distributor,  
17 or captive finance source shall not be required to finance any  
18 such product or service that is not offered or supported by the  
19 manufacturer or distributor.
- 20 ~~e.5.~~ Prohibit a retail customer that has reserved or requested to  
21 purchase or lease a vehicle directly from the manufacturer or  
22 distributor and the dealer to whom the customer's reservation  
23 or request to purchase or lease has been assigned from directly  
24 negotiating the trade-in value the customer will receive, or to  
25 prohibit the dealer from conducting an on-site inspection of the  
26 condition of a trade-in vehicle before the dealer becomes  
27 contractually obligated to accept the trade-in value negotiated.
- 28 ~~f.6.~~ Use a third party to accomplish what would otherwise be  
29 prohibited by this subdivision.
- 30 b. Fail or refuse to do any of the following:
- 31 1. Allow retail customers located in this State the ability to  
32 directly purchase from any of its franchised dealers in this State  
33 all makes and models of new vehicles the dealer is authorized  
34 to sell; provided, however, that this sub-sub-subdivision is not  
35 violated to the extent that the inability of the manufacturer or  
36 distributor to provide vehicles to the dealer is based on acts of  
37 God, labor strikes, unavailability of parts, recalls, material  
38 shortages, natural disasters, or other factors or events beyond  
39 the control of the manufacturer or distributor.
- 40 2. Require that all of the new vehicles manufactured or  
41 distributed by the manufacturer or distributor that are sold or  
42 leased to retail customers located in this State be physically  
43 delivered to the retail customer by an authorized same  
44 line-make franchised dealer selected by the retail customer, or  
45 in the absence of such selection, by the authorized same  
46 line-make dealer that is located in closest proximity to the retail  
47 customer. This provision shall not apply to fleet sales to a fleet  
48 customer that has a designation as such by the manufacturer or  
49 distributor.
- 50 c. Fail or refuse to allow all of its franchised dealers located in this State  
51 to do any of the following:

- 1                   1.     Subject to availability, have the ability to maintain on the  
2                   ground and in the dealer's stock a reasonable supply of all  
3                   makes and models of new vehicles the dealer is authorized to  
4                   sell; provided, however, that this sub-sub-subdivision is not  
5                   violated to the extent that the inability of the manufacturer to  
6                   provide a reasonable on-the-ground supply of new vehicles to  
7                   dealers is based on acts of God, labor strikes, unavailability of  
8                   parts, recalls, material shortages, natural disasters, or other  
9                   factors and events beyond the control of the manufacturer or  
10                  distributor.
- 11                  2.     Have the right to store new and used propulsion batteries used  
12                  for electric vehicles and hybrid electric vehicles at a safe and  
13                  secure location selected and paid for by the dealer that is  
14                  separate from the dealership premises or fail or refuse to  
15                  compensate dealers for the reasonable pro rata cost of storing  
16                  used batteries for a period of more than 30 days after the  
17                  manufacturer or distributor has been notified by the dealer of  
18                  their availability to be picked up. Nothing in this  
19                  sub-sub-subdivision shall be deemed to grant a dealer the right  
20                  to purchase new or used propulsion batteries from a  
21                  manufacturer or distributor to maintain in the dealer's  
22                  inventory. A dealer's right to order propulsion batteries from or  
23                  through a manufacturer or distributor and maintain a  
24                  reasonable supply of such batteries in stock is governed by the  
25                  same provisions, limitations, and availability as the dealer's  
26                  right to order and stock other parts, as delineated in  
27                  sub-sub-subdivision 4. of this sub-subdivision.
- 28                  3.     Have the opportunity to purchase, on the same terms, used  
29                  vehicle inventory distributed or made available by that  
30                  manufacturer or distributor without imposing any unrelated or  
31                  unreasonable conditions or requirements on their dealers;  
32                  provided that a manufacturer or distributor may uniformly  
33                  restrict dealers to purchase through such program only used  
34                  vehicles for which the dealer holds a franchise.
- 35                  4.     Subject to availability, have the opportunity to order from or  
36                  through the manufacturer or distributor, receive, and maintain  
37                  in stock a reasonable supply of parts required for service and  
38                  repair of the manufacturer's or distributor's vehicles based on  
39                  the volume of warranty service work performed by the dealer;  
40                  provided that this sub-sub-subdivision is not violated to the  
41                  extent that the failure of the manufacturer or distributor to  
42                  provide parts is caused by the occurrence of product shortages  
43                  resulting from acts of God, natural disasters, unavailability of  
44                  parts, material shortages, labor strikes, product recalls, or other  
45                  factors or events beyond the control of the manufacturer or  
46                  distributor. Notwithstanding the requirements of this  
47                  sub-sub-subdivision, a manufacturer or distributor may impose  
48                  reasonable restrictions and limitations on a dealer's ability to  
49                  order and maintain in inventory certain parts exclusively used  
50                  for a particular model of motor vehicle, provided that (i) the  
51                  model is publicly designated by the manufacturer or distributor

- 1 as being a specialty or limited production motor vehicle and  
2 (ii) worldwide production of the motor vehicle model is less  
3 than 10,000 vehicles in any given model year.
- 4 5. Have, if the manufacturer or distributor has not contributed  
5 money, tangible items of property or resources owned or paid  
6 for by the manufacturer or distributor, or content toward the  
7 specific dealer advertising material, the right to independently  
8 determine the types of physical and digital advertising media  
9 the dealer chooses to advertise for all brands, models, and types  
10 of vehicles offered for sale by the dealer as well as the content  
11 and format of the advertising and all locations where the dealer  
12 chooses to establish, publish, broadcast, circulate, or display  
13 such advertising and the individuals to whom advertising is  
14 targeted or directed; provided that nothing in this  
15 sub-sub-subdivision allows a dealer to infringe upon or to  
16 interfere with the intellectual property rights of manufacturers  
17 and distributors or to advertise the products offered by the  
18 manufacturer or distributor in a disparaging or misleading  
19 manner.
- 20 d. Engage in any of the following actions:
- 21 1. Retain ownership of new motor vehicles until they are sold or  
22 leased to retail customers located in this State, provided, a  
23 manufacturer, factory branch, distributor, or distributor branch  
24 may retain ownership of new motor vehicles held in a common  
25 supply of new vehicles until such vehicles are sold to its  
26 authorized franchised dealers. This provision shall not apply to  
27 fleet sales to a fleet customer that has a designation as such by  
28 the manufacturer or distributor.
- 29 2. Except for the sale or lease of a vehicle in connection with a  
30 repurchase or replacement under Article 15A of this Chapter,  
31 or for display purposes, consign new motor vehicles to its  
32 franchised dealers in this State for dealer inventory or for sale  
33 or lease to retail customers located in this State.
- 34 3. Reserve the right to negotiate binding terms of sale or lease  
35 directly with retail customers purchasing or leasing new motor  
36 vehicles located in this State; provided that a manufacturer or  
37 distributor may engage in fleet sales to a fleet customer that  
38 has a designation as such by the manufacturer or distributor.
- 39 4. Designate its franchised dealers in this State to be only delivery  
40 agents for new motor vehicles and service and parts outlets,  
41 reserving for the respective manufacturer or distributor the  
42 right to establish the binding terms of vehicle sales or leases or  
43 the right to negotiate the binding terms of vehicle sales or  
44 leases directly with retail customers located in this State;  
45 provided that a manufacturer or distributor may engage in fleet  
46 sales with a fleet customer that has a designation as such by the  
47 manufacturer or distributor. Nothing in this  
48 sub-sub-subdivision shall prohibit a manufacturer or  
49 distributor from:
- 50 I. Setting or advertising a suggested retail price,  
51 minimum advertised price, employee or supplier

- 1 discount price, or special finance, lease, or other  
2 promotional offers.
- 3 II. Stating an estimated trade-in valuation of a customer's  
4 vehicle that is designated as such and based on a  
5 valuation guide whose identity is conspicuously  
6 disclosed; provided that in close proximity to any such  
7 stated estimated trade-in valuation, the manufacturer or  
8 distributor conspicuously discloses that the actual  
9 valuation of any used vehicle is dependent on many  
10 factors and the dealer is not obligated to accept the  
11 estimated trade-in valuation.
- 12 III. Displaying prices that dealers voluntarily set and  
13 choose to display.
- 14 5. Unreasonably impede or interfere with the ability of its rural  
15 and other franchised dealers located in this State to obtain from  
16 that manufacturer or distributor and sell or lease any series or  
17 models of technologically advanced vehicles that the  
18 manufacturer or distributor makes available for sale or lease to  
19 retail customers in this State by or through its same line-make  
20 dealers and which the dealer is authorized to sell. For purposes  
21 of this sub-sub-subdivision, the term "technologically  
22 advanced vehicle" or "TAV" means a motor vehicle that is an  
23 electric vehicle (EV) or hydrogen vehicle. For purposes of this  
24 sub-sub-subdivision, the term "EV" means any plug-in electric  
25 vehicle that does not rely on any nonelectric source of power  
26 in all modes of operation. For purposes of this  
27 sub-sub-subdivision, the term "unreasonably impede or  
28 interfere with" includes, but is not limited to, any of the  
29 following:
- 30 I. If a manufacturer or distributor has established any  
31 training, infrastructure, capital, or equipment  
32 requirements as a condition for a dealer to sell TAVs,  
33 to fail or refuse to promptly cause, at a dealer's request,  
34 a detailed, itemized, individual dealer assessment to  
35 determine the minimum TAV investment each dealer  
36 would need to make for training, facilities, tools, parts,  
37 equipment, and charging stations for vehicle service  
38 and for training dealership employees and customers.  
39 Charging stations for use by the public and all other  
40 charges or expenditures not technically essential to sell  
41 and service the manufacturer's or distributor's TAVs  
42 shall not be required or included in determining a  
43 dealer's minimum TAV investment. The minimum  
44 TAV investment established for each dealer must be  
45 scaled based on the estimated number of the  
46 manufacturer's or distributor's new TAVs the dealer  
47 would be anticipated to sell and the number of TAVs  
48 the dealer would be expected to service within the  
49 following three-year period. In the event that a  
50 manufacturer or distributor had performed an  
51 individualized dealer assessment required in this

sub-sub-sub-subdivision prior to July 1, 2023, the assessment shall be deemed to satisfy the requirements contained in this sub-sub-sub-subdivision as long as it complies with all of the requirements of an individual TAV assessment established in this sub-sub-sub-subdivision and the TAV assessment contains no charges in excess of those charges includable under this sub-sub-sub-subdivision. It shall be unlawful for a manufacturer or distributor to require a dealer to pay for an assessment of the type required under this sub-sub-sub-subdivision if the manufacturer or distributor requires that an assessment be performed as a prerequisite for the dealer to sell or lease TAVs that the manufacturer or distributor sells or distributes.

II. To fail or refuse to allocate all TAV models offered by the manufacturer or distributor for sale or lease in this State in accordance with the requirements of this sub-sub-sub-subdivision to each of its same line-make franchised dealers located in this State that has made the minimum TAV investment determined pursuant to sub-sub-sub-subdivision I. of this sub-sub-sub-subdivision.

6. Withhold all or any portion of any incentive payment from any of its dealers located in this State on the basis of a dealer's failure to comply with any unlawful or prohibited condition or requirement.

7. Require, coerce, or attempt to coerce a dealer to make expenditures related to achieving or making progress toward achieving CO2 neutrality at the dealer's facility at the expense of the dealer.

Nothing contained in sub-subdivision a. of this subdivision shall (i) require that a manufacturer or distributor allocate or supply additional or supplemental inventory to a franchised dealer located in this State in order to satisfy a retail customer's vehicle reservation or request submitted directly to the manufacturer or distributor as provided in this section, (ii) apply to the generation of sales leads; provided, however, that for purposes of this subdivision the term "sales leads" shall not include any reservation or request to purchase or lease a vehicle submitted directly by a customer or potential customer to a manufacturer or distributor, or (iii) apply to a reservation or request to purchase or lease a vehicle directly from the manufacturer or distributor received from customer that is a resident of this State if the customer designates a dealer outside of this State to be assigned the reservation or request to purchase or lease, or if the dealer located in closest proximity to the customer's location is in another state and the manufacturer or distributor assigns the reservation or request to purchase or lease to that dealer.

**SECTION 1.(b)** G.S. 20-305(44) reads as rewritten:

"(44) Notwithstanding the terms, provisions, or conditions of any agreement or franchise, to require, coerce, or attempt to coerce any new motor vehicle dealer located in this State to refrain from doing any of the following:

a. displaying-Displaying in the dealer's showroom or elsewhere within the dealership facility any sports-related honors, awards, photographs,

1 displays, or other artifacts or memorabilia; provided, however, that  
2 such sports-related honors, awards, photographs, displays, or other  
3 artifacts or memorabilia (i) pertain to an owner, investor, or executive  
4 manager of the dealership; (ii) relate to professional sports; (iii) do not  
5 reference or advertise a competing brand of motor vehicles; and (iv)  
6 do not conceal or disparage any of the required branding elements that  
7 are part of the dealership facility.

8 b. Using all or part of the name of a dealer's founder, owner, existing  
9 trade name, or dealer principal in the dealer's trade name, provided the  
10 name the dealer proposes to use for its trade name would not disparage  
11 the manufacturer's or distributor's brand or be confusing or misleading  
12 to the consuming public."

13 **SECTION 1.(c)** G.S. 20-305 is amended by adding a new subdivision to read:

14 "(55) To interfere with the independence and governance of a dealer or dealer  
15 applicant having multiple owners by requiring, coercing, or attempting to  
16 coerce the dealer or dealer applicant to adopt a corporate structure under  
17 which a single individual has the sole legal authority to issue additional  
18 corporate stock; add one or more new managers, members, or shareholders;  
19 purchase or sell any franchises or line-makes of vehicles; acquire or sell real  
20 estate; invest in new or substantially remodeled or updated facilities; borrow  
21 money in the name of the dealer; select a new or successor dealer principal;  
22 file a petition in bankruptcy or receivership; or require that owners contribute  
23 additional capital. Nothing in this subdivision shall prohibit a manufacturer or  
24 distributor from requiring the dealer or dealer applicant to designate a single  
25 natural person that the manufacturer or distributor may contact and who shall  
26 be responsible for all business communications with the manufacturer or  
27 distributor and any day-to-day business decisions not identified in this  
28 subdivision, or from requiring that the designated person own a minimum  
29 percentage of ownership reasonably determined by the manufacturer or  
30 distributor or be physically present at the dealership premises."

31 **SECTION 1.(d)** G.S. 20-286(10) reads as rewritten:

32 "(10) Motor vehicle. – Any motor propelled vehicle, regardless of the size and type  
33 of motor or source of power, trailer or semitrailer, required to be registered  
34 under the laws of this State. This term does not include modified utility  
35 vehicles or mopeds, as defined in G.S. 20-4.01.

36 ...

37 d. Except as expressly provided in sub-subdivision c. of this subdivision,  
38 all autonomous vehicles are motor vehicles that are subject to all of  
39 the provisions of Article 12 of this Chapter. For purposes of this  
40 Article, the term "autonomous vehicle" means a motor vehicle that  
41 utilizes autonomous or self-driving technology rated at Level 0, 1, 2,  
42 3, 4, or 5 by the Society of Automotive Engineers."

## 43 **DEALER AND MANUFACTURER WEBSITES**

44 **SECTION 2.(a)** G.S. 20-305 is amended by adding a new subdivision to read:

45 "(56) Notwithstanding the terms of any franchise, agreement, or policy, to do any  
46 of the following with regard to dealer and manufacturer websites:

47 a. Dealer websites. – It is unlawful for any manufacturer or distributor to  
48 unreasonably interfere with the establishment, maintenance,  
49 operation, or control of either a single location dealer website or a  
50 dealer group website. For purposes of this subdivision, the term "single  
51

1 location dealer website" means a website that is owned or operated by  
2 or on behalf of a new motor vehicle dealer that is licensed in this State  
3 and that advertises, markets, displays, sells, or leases new and used  
4 motor vehicles that are only available for sale or lease at the dealership  
5 owned by that dealer. For purposes of this subdivision, the term  
6 "dealer group website" means a website that is owned or operated by  
7 or on behalf of a new motor vehicle dealer licensed in this State and  
8 that advertises, markets, displays, sells, or leases new and used motor  
9 vehicles that are available for sale or lease at more than one dealership  
10 location within this State. For purposes of this sub-subdivision, the  
11 term "unreasonably interfere" includes, but is not limited to, any  
12 contractual or other prohibition or any policy that does any of the  
13 following:

- 14 1. Prohibits any of its franchised dealers in this State that own or  
15 operate either a single location dealer website or a dealer group  
16 website from prominently displaying throughout the website  
17 the name and logo of the applicable dealer or dealer group.
- 18 2. Requires any dealer or dealer group located in this State to use  
19 a digital platform or digital retailing tool provided,  
20 recommended, endorsed, or approved by the manufacturer or  
21 distributor; provided, however, that the digital platform or  
22 digital retailing tool selected by the dealer possesses  
23 substantially the same level of quality and performs the same  
24 essential functions as the digital platform or digital retailing  
25 tool provided, recommended, endorsed, or approved by the  
26 manufacturer or distributor.
- 27 3. Requires, as a condition to sell any line-make, brand, model,  
28 or series of vehicles, any single location dealer or dealer group  
29 located in this State to use, on either a single location dealer  
30 website or a dealer group website, one or more chat tools,  
31 appraisal tools, payment calculators, or other online digital  
32 tools provided, recommended, endorsed, or approved by the  
33 manufacturer or distributor, provided, however, that any such  
34 digital retailing tools selected by the dealer possess  
35 substantially the same quality and perform the same essential  
36 functions as the digital retailing tools provided, recommended,  
37 endorsed, or approved by the manufacturer or distributor.
- 38 4. Restricts any of its franchised dealers in this State that own or  
39 operate either a single location dealer website or a dealer group  
40 website from using any method, procedure, or protocol  
41 selected by the dealer for communicating with the dealer's  
42 customers or permitting or allowing customers to make an  
43 appointment to see or test drive a vehicle, hold or reserve a  
44 vehicle in the dealer's inventory, or negotiate the purchase or  
45 lease price of a vehicle directly with the dealer through a  
46 dealer-owned website or other digital retail process.
- 47 5. Restricts any of its franchised dealers in this State that own or  
48 operate a single location dealer website from displaying,  
49 selling, or leasing all brands and line-makes of new and used  
50 motor vehicles offered for sale or lease at that dealership  
51 location, including the dealer's display of manufacturer logos



- 1 and marks for all such brands and line-makes of new motor
- 2 vehicles the dealer is authorized by the manufacturer or
- 3 distributor to offer for sale or lease, to the extent such display
- 4 of manufacturer logos and marks does not interfere with the
- 5 intellectual property rights of the manufacturer or advertise the
- 6 products offered by the manufacturer or distributor in a
- 7 disparaging or misleading manner.
- 8 6. Restricts any of its franchised dealers in this State that own or
- 9 operate a dealer group website from displaying, selling, or
- 10 leasing all brands and line-makes of new and used motor
- 11 vehicles offered for sale or lease at any dealership affiliated
- 12 with the dealer group, including the display of manufacturer
- 13 logos and marks for all such brands and line-makes of new
- 14 motor vehicles the dealer is authorized by the manufacturer or
- 15 distributor to offer for sale or lease at any such affiliated
- 16 dealerships, to the extent such display of manufacturer logos
- 17 and marks does not interfere with the intellectual property
- 18 rights of the manufacturer or advertise the products offered by
- 19 the manufacturer or distributor in a disparaging or misleading
- 20 manner.
- 21 Nothing contained in this sub-subdivision shall prevent or prohibit a
- 22 manufacturer or distributor from requiring that, in establishing and
- 23 operating either single location dealer websites or dealer group
- 24 websites, dealers not violate the intellectual property rights of the
- 25 manufacturer or distributor or advertise the products offered by the
- 26 manufacturer or distributor in a disparaging or misleading manner.
- 27 b. Manufacturer websites. – It is unlawful for any manufacturer or
- 28 distributor to do either of the following:
- 29 1. Fail to give, to the extent technologically feasible and practical,
- 30 substantially equivalent visibility to all of the manufacturer's
- 31 or distributor's authorized same line-make franchised dealers
- 32 that are located in this State, on any website owned, operated,
- 33 or controlled by the manufacturer or distributor on which
- 34 customers are permitted to order or reserve vehicles for
- 35 purchase or lease, provided such visibility may be limited (i) at
- 36 the election of the customer or (ii) in relation to the distance of
- 37 the authorized dealer to the customer or the location at which
- 38 the customer appears to be.
- 39 2. Maintain a website or other electronic or digital means of
- 40 communication for negotiating or otherwise establishing
- 41 binding terms of sale or lease of new vehicles directly between
- 42 the manufacturer or distributor and retail customers located in
- 43 this State, provided that a manufacturer, factory branch,
- 44 distributor, or distributor branch may maintain a website or
- 45 other electronic or digital means of communication if the final
- 46 selling or lease price of the new vehicles is determined by
- 47 eligible dealers, and provided further that a dealer may not be
- 48 required to set a nonnegotiable price as a condition for the
- 49 dealer's inclusion on any website owned, controlled, or
- 50 maintained by a manufacturer or distributor. Nothing in this
- 51 sub-sub-subdivision shall prevent a manufacturer or distributor

1 from engaging in fleet sales to a fleet customer that has a  
2 designation as such by the manufacturer or distributor, or  
3 establishing or offering employee or supplier discount pricing,  
4 provided the dealer is not required to participate in such  
5 program."

6 **SECTION 2.(b)** G.S. 20-305(56)b., as enacted by subsection (a) of this section,  
7 becomes effective November 1, 2023, and applies to all current and future franchises and other  
8 agreements in existence between any new motor vehicle dealer located in this State and a  
9 manufacturer or distributor as of that date.

## 10 **RURAL DEALER MINIMUM EARNED ALLOCATION RIGHTS**

11 **SECTION 3.** G.S. 20-305(14) reads as rewritten:

12 "(14) To delay, refuse, or fail to deliver motor vehicles or motor vehicle parts or  
13 accessories in reasonable quantities relative to the new motor vehicle dealer's  
14 facilities and sales potential in the new motor vehicle dealer's market area as  
15 determined in accordance with reasonably applied economic principles, or  
16 within a reasonable time, after receipt of an order from a dealer having a  
17 franchise for the retail sale of any new motor vehicle sold or distributed by the  
18 manufacturer or distributor, any new vehicle, parts or accessories to new  
19 vehicles as are covered by such franchise, and such vehicles, parts or  
20 accessories as are publicly advertised as being available or actually being  
21 ~~delivered.~~ delivered in this State. The delivery to another dealer of a motor  
22 vehicle of the same model and similarly equipped as the vehicle ordered by a  
23 motor vehicle dealer who has not received delivery thereof, but who has  
24 placed his written order for the vehicle prior to the order of the dealer receiving  
25 the vehicle, shall be prima facie evidence of a delayed delivery of, or refusal  
26 to deliver, a new motor vehicle to a motor vehicle dealer within a reasonable  
27 time, without cause. Additionally, except as may be required by any consent  
28 decree of the Commissioner or other order of the Commissioner or court of  
29 competent jurisdiction, any sales objectives which a manufacturer, factory  
30 branch, distributor, or distributor branch establishes for any of its franchised  
31 dealers in this State must be reasonable, and every manufacturer, factory  
32 branch, distributor, or distributor branch must allocate its products within this  
33 State in a manner that does all of the following:

- 34
- 35 a. Provides each of its franchised dealers in this State an adequate supply  
36 of vehicles by series, product line, and model in a fair, reasonable, and  
37 equitable manner based on each dealer's historical selling pattern and  
38 reasonable sales standards as compared to other same line-make  
39 dealers in the State.
  - 40 b. Allocates an adequate supply of vehicles to each of its dealers by  
41 series, product line, and model so as to allow the dealer to achieve any  
42 performance standards established by the manufacturer and  
43 distributor.
  - 44 b1. Allocates available vehicle features and options to each of its  
45 authorized same line-make dealers in a fair, reasonable, and equitable  
46 manner that takes into consideration the dealer's historical experience  
47 and success in selling vehicles similarly configured and that contain  
48 similar options.
  - 49 c. Is fair and equitable to all of its franchised dealers in this State.
  - 50 d. Makes available to each of its franchised dealers in this State a  
51 minimum of one of each vehicle series, model, or product line that the

- 1 manufacturer makes available to any dealer in this State and advertises  
2 in the State as being available for purchase.
- 3 e. Does not unfairly discriminate among its franchised dealers in its  
4 allocation process.
- 5 f. Discloses to each of its franchised dealers handling the same line-make  
6 both its system of allocation and the dealer's actual new vehicle  
7 allocation that occurred during the previous calendar month and  
8 during the previous six calendar months, including, but not limited to,  
9 a complete breakdown by model, color, equipment, and, to the extent  
10 tracked by the manufacturer or distributor, other available features and  
11 an explanation of the derivation of the allocation system, including its  
12 mathematical formula or formulae, in a clear and comprehensible  
13 form. The data provided by the manufacturer or distributor pursuant to  
14 this sub-subdivision is required to reflect the dealer's total vehicle  
15 availability by model, along with the dealer's measurement of  
16 available days supply for each model in comparison to the threshold  
17 available days supply by model in the dealer's peer group of all new  
18 vehicles allocated to its franchised dealers in this State broken down  
19 by tiers or other groups of dealers created by the manufacturer or  
20 distributor and those allocated to dealers in this State, if available, or  
21 another geographical area utilized by the manufacturer or distributor  
22 pursuant to a mathematical formula or on a discretionary basis. All of  
23 the allocation data that a manufacturer or distributor is required to  
24 disclose to its same line-make dealers in this State pursuant to this  
25 sub-subdivision may be made available for its dealers to review online  
26 at the dealer's discretion, if the data and the ability to display the data  
27 online are reasonably available to the manufacturer or distributor, or  
28 be provided within 30 days of receipt of the written request of a dealer  
29 or in the event a manufacturer or distributor has changed its allocation  
30 formula, process, or policies. This sub-subdivision shall not apply to  
31 manufacturers or distributors of Class 4 vehicles or above (Gross  
32 Vehicle Weight Rating exceeding 14,000 lbs.) as classified by the  
33 Federal Highway Administration.
- 34 g. Provides each of its franchised dealers in this State a process for a  
35 dealer to appeal the dealer's vehicle allocation should the dealer  
36 believe it was not allocated or did not receive vehicle inventory in a  
37 manner that complies with both this subdivision and the  
38 manufacturer's or distributor's uniformly applied allocation formula.  
39 Participation in the appeal process does not waive or impair any rights,  
40 claims, or defenses available to the dealer, manufacturer, or distributor  
41 under applicable law. All in-person meetings, mediations, or other  
42 proceedings related to the appeal process shall be conducted in this  
43 State unless otherwise agreed to by the parties.
- 44 This subdivision is not violated, however, if such failure is caused solely by  
45 the occurrence of temporary international, national, or regional product  
46 shortages resulting from natural disasters, unavailability of parts, labor strikes,  
47 product recalls, and other factors and events beyond the control of the  
48 manufacturer that temporarily reduce a manufacturer's product supply. In the  
49 event of any such shortages in vehicle availability, each manufacturer or  
50 distributor shall be required to allocate and distribute all available new motor  
51 vehicles to its franchised dealers in this State in accordance with the allocation

1 priorities established in this subdivision and in a fair, equitable, and  
2 nondiscriminatory manner. The willful or malicious maintenance, creation, or  
3 alteration of a vehicle allocation process or formula by a manufacturer, factory  
4 branch, distributor, or distributor branch that is in any part designed or  
5 intended to force or coerce a dealer in this State to close or sell the dealer's  
6 franchise, cause the dealer financial distress, or to relocate, update, or renovate  
7 the dealer's existing dealership facility shall constitute an unfair and deceptive  
8 trade practice under G.S. 75-1.1."  
9

## 10 **MANUFACTURER SALE OR SUBSCRIPTION OF ADD-ON PRODUCTS**

11 **SECTION 4.** G.S. 20-305 is amended by adding a new subdivision to read:

12 "(57) To sell, or activate for a fee, any permanent or temporary motor vehicle  
13 accessory, option, add-on, service, feature, improvement, or upgrade on or to  
14 any motor vehicle owned or leased by a retail customer located in this State,  
15 through over-the-air or remote means, unless the manufacturer or distributor  
16 complies with all of the following requirements:

17 a. The manufacturer or distributor permits all of its franchised same  
18 line-make dealers that are located in this State to sell the same motor  
19 vehicle accessory, option, add-on, service, upgrade, feature, or  
20 improvement to retail customers on the same terms offered by the  
21 manufacturer or distributor.

22 b. The permanent or temporary motor vehicle accessory, option, add-on,  
23 service, upgrade, feature, or improvement is activated or installed  
24 directly on the retail customer's motor vehicle through remote  
25 electronic transmission.

26 c. If the sale or activation of the permanent or temporary motor vehicle  
27 accessory, option, add-on, service, upgrade, feature, or improvement  
28 by either the manufacturer or the direct involvement of the dealer who  
29 sells or leases the vehicle to the retail customer occurs at the time of  
30 the new motor vehicle sale or lease, or within the 12-month period  
31 immediately following the sale or lease of the new motor vehicle by a  
32 North Carolina franchised motor vehicle dealer, the manufacturer or  
33 distributor provides the franchised motor vehicle dealer that sold the  
34 new motor vehicle reasonable compensation for the sale or activation  
35 of the accessory, option, add-on, service, upgrade, feature, or  
36 improvement to the original North Carolina vehicle owner or lessee  
37 when the cost of which would equal or exceed (i) fifty dollars (\$50.00),  
38 if the cost or purchase price to the retail customer involves a single,  
39 one-time payment, or (ii) seventy-five dollars (\$75.00) in cumulative  
40 cost or purchase price over any 12-month period, if the retail customer  
41 is making multiple or periodic payments.

42 d. If the sale or activation of the permanent or temporary motor vehicle  
43 accessory, option, add-on, service, upgrade, feature, or improvement  
44 did not occur as provided in sub-subdivision c. of this subdivision, and  
45 a North Carolina franchised new motor vehicle dealer of the  
46 manufacturer or distributor was directly involved in the sale of the  
47 feature or improvement, the manufacturer or distributor provides  
48 reasonable compensation to the North Carolina franchised new motor  
49 vehicle dealer that sold the accessory, option, add-on, service,  
50 upgrade, feature, or improvement to a North Carolina resident when  
51 the cost of which would equal or exceed (i) fifty dollars (\$50.00), if

1 the cost or purchase price to the retail customer involves a single,  
2 one-time payment, or (ii) seventy-five dollars (\$75.00) in cumulative  
3 cost or purchase price over any 12-month period, if the retail customer  
4 is making multiple or periodic payments.

5 e. The manufacturer or distributor provides compensation consistent  
6 with G.S. 20-305.1 to an authorized dealer for providing assistance or  
7 repair at the dealership for a failed, damaged, nonfunctioning, or  
8 defective over-the-air or remote accessory, option, add-on, service,  
9 upgrade, feature or improvement, change, or repair, administered by  
10 the vehicle manufacturer to any part, system, accessory, or function of  
11 the customer's vehicle at the request of the customer.

12 f. When providing a new motor vehicle to a dealer for offer or sale to the  
13 public, the manufacturer or distributor shall provide to the dealer a  
14 written disclosure that may be furnished by the dealer to a potential  
15 purchaser or lessee of the new motor vehicle identifying each  
16 permanent or temporary motor vehicle accessory, option, add-on,  
17 service, upgrade, feature, or improvement of the vehicle that may be  
18 initiated, updated, changed, or maintained by the manufacturer or  
19 distributor through over-the-air or remote means, the cost to the retail  
20 customer at the time of the new motor vehicle sale or lease, and the  
21 fact that all such accessories, options, add-ons, services, upgrades,  
22 features, or improvements may be purchased directly from the dealer.  
23 A manufacturer or distributor may comply with this sub-subdivision  
24 by notifying the dealer that such information is available on a website  
25 or by other digital means."

## 26 27 **WARRANTY REIMBURSEMENT CLARIFICATION**

28 **SECTION 5.** G.S. 20-305.1(a2) reads as rewritten:

29 "(a2) In calculating the retail rate customarily charged by the dealer for parts and labor, the  
30 following work shall not be included in the calculation:

- 31 (1) Repairs for manufacturer or distributor special events, specials, coupons, or  
32 other promotional discounts for retail customer repairs.
- 33 (2) Parts sold at wholesale or at reduced or specially negotiated rates for insurance  
34 repairs.
- 35 (3) Engine and transmission assemblies.
- 36 (4) Routine maintenance, including fluids, filters, alignments, flushes, oil  
37 changes, belts, and brake drums/rotors and shoes/pads not provided in the  
38 course of repairs.
- 39 (5) Nuts, bolts, fasteners, and similar items that do not have an individual part  
40 number.
- 41 (6) Tires and vehicle alignments.
- 42 (7) Vehicle reconditioning.
- 43 (8) Batteries and light bulbs."
- 44

## 45 **GRANDFATHER EXTENSION**

46 **SECTION 6.** G.S. 20-305(30) reads as rewritten:

47 "(30) To vary the price charged to any of its franchised new motor vehicle dealers  
48 located in this State for new motor vehicles based on the dealer's purchase of  
49 new facilities, supplies, tools, equipment, or other merchandise from the  
50 manufacturer, the dealer's relocation, remodeling, repair, or renovation of  
51 existing dealerships or construction of a new facility, the dealer's participation

1 in training programs sponsored, endorsed, or recommended by the  
2 manufacturer, whether or not the dealer is dualed with one or more other line  
3 makes of new motor vehicles, or the dealer's sales penetration. Except as  
4 provided in this subdivision, it shall be unlawful for any manufacturer, factory  
5 branch, distributor, or distributor branch, or any field representative, officer,  
6 agent, or any representative whatsoever of any of them to vary the price  
7 charged to any of its franchised new motor vehicle dealers located in this State  
8 for new motor vehicles based on the dealer's sales volume, the dealer's level  
9 of sales or customer service satisfaction, the dealer's purchase of advertising  
10 materials, signage, nondiagnostic computer hardware or software,  
11 communications devices, or furnishings, or the dealer's participation in used  
12 motor vehicle inspection or certification programs sponsored or endorsed by  
13 the manufacturer.

14 The price of the vehicle, for purposes of this subdivision shall include the  
15 manufacturer's use of rebates, credits, or other consideration that has the effect  
16 of causing a variance in the price of new motor vehicles offered to its  
17 franchised dealers located in the State.

18 Notwithstanding the foregoing, nothing in this subdivision shall be  
19 deemed to preclude a manufacturer from establishing sales contests or  
20 promotions that provide or award dealers or consumers rebates or incentives;  
21 provided, however, that the manufacturer complies with all of the following  
22 conditions:

- 23 a. With respect to manufacturer to consumer rebates and incentives, the  
24 manufacturer's criteria for determining eligibility shall:
- 25 1. Permit all of the manufacturer's franchised new motor vehicle  
26 dealers in this State to offer the rebate or incentive; and
  - 27 2. Be uniformly applied and administered to all eligible  
28 consumers.
- 29 b. With respect to manufacturer to dealer rebates and incentives, the  
30 rebate or incentive program shall:
- 31 1. Be based solely on the dealer's actual or reasonably anticipated  
32 sales volume or on a uniform per vehicle sold or leased basis;
  - 33 2. Be uniformly available, applied, and administered to all of the  
34 manufacturer's franchised new motor vehicle dealers in this  
35 State; and
  - 36 3. Provide that any of the manufacturer's franchised new motor  
37 vehicle dealers in this State may, upon written request, obtain  
38 the method or formula used by the manufacturer in establishing  
39 the sales volumes for receiving the rebates or incentives and  
40 the specific calculations for determining the required sales  
41 volumes of the inquiring dealer and any of the manufacturer's  
42 other franchised new motor vehicle dealers located within 75  
43 miles of the inquiring dealer.

44 Nothing contained in this subdivision shall prohibit a manufacturer from  
45 providing assistance or encouragement to a franchised dealer to remodel,  
46 renovate, recondition, or relocate the dealer's existing facilities, provided that  
47 this assistance, encouragement, or rewards are not determined on a per vehicle  
48 basis.

49 It is unlawful for any manufacturer to charge or include the cost of any  
50 program or policy prohibited under this subdivision in the price of new motor

1 vehicles that the manufacturer sells to its franchised dealers or purchasers  
2 located in this State.

3 In the event that as of October 1, 1999, a manufacturer was operating a  
4 program that varied the price charged to its franchised dealers in this State in  
5 a manner that would violate this subdivision, or had in effect a documented  
6 policy that had been conveyed to its franchised dealers in this State and that  
7 varied the price charged to its franchised dealers in this State in a manner that  
8 would violate this subdivision, it shall be lawful for that program or policy,  
9 including amendments to that program or policy that are consistent with the  
10 purpose and provisions of the existing program or policy, or a program or  
11 policy similar thereto implemented after October 1, 1999, to continue in effect  
12 as to the manufacturer's franchised dealers located in this State until ~~June 30,~~  
13 2025-June 30, 2028.

14 In the event that as of June 30, 2001, a manufacturer was operating a  
15 program that varied the price charged to its franchised dealers in this State in  
16 a manner that would violate this subdivision, or had in effect a documented  
17 policy that had been conveyed to its franchised dealers in this State and that  
18 varied the price charged to its franchised dealers in this State in a manner that  
19 would violate this subdivision, and the program or policy was implemented in  
20 this State subsequent to October 1, 1999, and prior to June 30, 2001, and  
21 provided that the program or policy is in compliance with this subdivision as  
22 it existed as of June 30, 2001, it shall be lawful for that program or policy,  
23 including amendments to that program or policy that comply with this  
24 subdivision as it existed as of June 30, 2001, to continue in effect as to the  
25 manufacturer's franchised dealers located in this State until ~~June 30, 2025-June~~  
26 30, 2028.

27 Any manufacturer shall be required to pay or otherwise compensate any  
28 franchise dealer who has earned the right to receive payment or other  
29 compensation under a program in accordance with the manufacturer's  
30 program or policy.

31 The provisions of this subdivision shall not be applicable to multiple or  
32 repeated sales of new motor vehicles made by a new motor vehicle dealer to  
33 a single purchaser under a bona fide fleet sales policy of a manufacturer,  
34 factory branch, distributor, or distributor branch."  
35

## 36 **MOTOR VEHICLE DEALER AND MANUFACTURER LICENSEES/SETTLEMENT** 37 **AGREEMENTS AND CONSENT ORDERS**

38 **SECTION 7.(a)** G.S. 20-296 reads as rewritten:

39 **"§ 20-296. Notice and hearing upon denial, suspension, revocation, placing on probation,**  
40 **or refusal to renew license.**

41 No license shall be suspended, revoked, denied, placed on probation, or renewal thereof  
42 refused, until a written notice of the complaint made has been furnished to the licensee against  
43 whom the same is directed, and a hearing thereon has been had before the Commissioner, or a  
44 person designated by him. At least 10 days' written notice of the time and place of ~~such the~~  
45 hearing shall be given to the licensee by certified mail with return receipt requested to ~~his the~~  
46 licensee's last known address as shown on his the licensee's license or other record of information  
47 in possession of the Division. At any such hearing, the licensee shall have the right to be heard  
48 personally or by counsel. After hearing, the Division shall have power to suspend, revoke, place  
49 on probation, or refuse to renew the license in question. Immediate notice of any such action  
50 shall be given to the licensee in accordance with G.S. 1A-1, Rule 4(j) of the Rules of Civil  
51 Procedure. For each alleged violation, the Division shall determine in its sole and unappealable

1 discretion whether entering into a settlement agreement or consent order with the applicable  
2 licensee or license applicant either prior to or subsequent to the hearing would promote the  
3 interests of justice and administrative efficiency."

4 **SECTION 7.(b)** This section becomes effective December 1, 2023, and applies to  
5 violations occurring on or after that date.

## 6 **CLARIFY LAW GOVERNING CONDITIONAL DELIVERY OF MOTOR VEHICLES**

7 **SECTION 8.(a)** G.S. 20-75.1 reads as rewritten:

### 8 **"§ 20-75.1. Conditional delivery of motor vehicles.**

9 Notwithstanding G.S. 20-52.1, 20-72, and 20-75, nothing contained in those sections  
10 prohibits a dealer from entering into a contract with any purchaser for the sale of a vehicle and  
11 delivering the vehicle to the purchaser under terms by which the dealer's obligation to execute  
12 the manufacturer's certificate of origin or the certificate of title is conditioned on the purchaser  
13 obtaining financing for the purchase of the vehicle. Liability, collision, and comprehensive  
14 insurance on a vehicle sold and delivered conditioned on the purchaser obtaining financing for  
15 the purchaser of the vehicle shall be covered by the dealer's insurance policy until such financing  
16 is finally approved and execution of the manufacturer's certificate of origin or execution of the  
17 certificate of title. Upon final approval and execution of the manufacturer's certificate of origin  
18 or the certificate of title, and upon the purchaser having liability insurance on another vehicle,  
19 the delivered vehicle shall be covered by the purchaser's insurance policy beginning at the time  
20 of final financial approval and execution of the manufacturer's certificate of origin or the  
21 certificate of title. ~~The dealer shall notify the insurance agency servicing the purchaser's~~  
22 ~~insurance policy or the purchaser's insurer of the purchase on the day of, or if the insurance~~  
23 ~~agency or insurer is not open for business, on the next business day following approval of the~~  
24 ~~purchaser's financing and execution of the manufacturer's certificate of origin or the certificate~~  
25 ~~of title. For conditionally delivered vehicles, the dealer shall execute the manufacturer's~~  
26 ~~certificate of origin or the certificate of title. The purchaser or lessee shall be responsible for~~  
27 ~~notification of the insurer or insurance agency servicing the purchaser's or lessee's insurance~~  
28 ~~policy of the purchase or lease on the date the approval notice is received, or if the insurer or~~  
29 ~~insurance agency is not open for business that day, on the next business day following approval~~  
30 ~~of the purchaser's or lessee's financing. The purchaser shall be solely responsible for obtaining~~  
31 ~~and paying for insurance on the purchased or leased vehicle, and the dealer shall under no~~  
32 ~~circumstances be liable to the purchaser, lessee, or any third parties in the event the purchaser or~~  
33 ~~lessee fails to timely obtain insurance on the purchased or leased vehicle. This subsection is in~~  
34 addition to any other provisions of law or insurance policies and does not repeal or supersede  
35 those provisions."

36 **SECTION 8.(b)** This section is effective when it becomes law and applies to  
37 purchases on or after that date.

## 38 **MOTOR VEHICLE DEALERS AND MANUFACTURERS/PUBLISH NOTICE OF**

### 39 **LICENSE APPLICATION**

40 **SECTION 9.(a)** G.S. 20-288(a) reads as rewritten:

41 "(a) A new motor vehicle dealer, motor vehicle sales representative, manufacturer, factory  
42 branch, factory representative, distributor, distributor branch, distributor representative, or  
43 wholesaler may obtain a license by filing an application with the Division. An application must  
44 be on a form provided by the Division and contain the information required by the Division. An  
45 application for a license must be accompanied by the required fee. The following requirements  
46 also apply to applicants under this section:

- 47 (1) An application for a new motor vehicle dealer license must be accompanied  
48 by an application for a dealer license plate. In addition, the Division shall  
49 require each applicant for a new motor vehicle dealer license to certify on the  
50  
51



1 application whether the applicant or any parent, subsidiary, affiliate, or any  
2 other entity related to the applicant is a manufacturer, factory branch, factory  
3 representative, distributor, distributor branch, or distributor representative. In  
4 the event the applicant indicates on the application that the applicant or any  
5 parent, subsidiary, affiliate, or any other entity related to the applicant is a  
6 manufacturer, factory branch, factory representative, distributor, distributor  
7 branch, or distributor representative, the Division shall not issue a motor  
8 vehicle dealer license to the applicant until ~~both~~all of the following conditions  
9 are satisfied:

10 a. The applicant states on the application the specific exception or  
11 exceptions to the prohibition on the issuance of a motor vehicle dealer  
12 license to any manufacturer, factory branch, factory representative,  
13 distributor, distributor branch, or distributor representative for which  
14 the applicant contends it qualifies under G.S. 20-305.2(a).

15 a1. Upon receipt of a motor vehicle dealer license application by a  
16 manufacturer, factory branch, factory representative, distributor,  
17 distributor branch, or distributor representative, the Division shall  
18 promptly publish notice of the license application in the North  
19 Carolina Register. The notice shall include the applicant's name,  
20 address, application date, and the names and titles of any individual  
21 listed on the application as an owner, partner, member, or officer of  
22 the applicant. The notice shall also include the specific exception or  
23 exceptions to the prohibition on the issuance of a motor vehicle dealer  
24 license to any manufacturer, factory branch, factory representative,  
25 distributor, distributor branch, or distributor representative for which  
26 the applicant contends it qualifies under G.S. 20-305.2(a) that are  
27 included on the license application.

28 b. If the applicant does not currently hold a motor vehicle dealer license  
29 issued by the Division, the Commissioner determines, after an  
30 evidentiary ~~hearing,~~hearing held no earlier than 30 days from the date  
31 of publication of the notice required in sub-subdivision a1. of this  
32 subdivision, that the applicant qualifies under one or more of the  
33 exceptions to the prohibition against the issuance of a motor vehicle  
34 dealer license to any manufacturer, factory branch, factory  
35 representative, distributor, distributor branch, or distributor  
36 representative provided in G.S. 20-305.2(a). The applicant shall bear  
37 the burden of proving the applicant's qualification for the exception or  
38 exceptions claimed.

39 (2) Upon ~~submission~~receipt of a license application by a manufacturer, factory  
40 branch, factory representative, distributor, distributor branch, or distributor  
41 representative that has not previously been issued a license by the Division,  
42 the Division shall promptly publish notice of the license application in the  
43 North Carolina Register. The notice shall include the applicant's name,  
44 address, application date, and the names and titles of any individual listed on  
45 the application as an owner, partner, member, or officer of the applicant. The  
46 Division shall not approve or issue any license for a manufacturer, factory  
47 branch, factory representative, distributor, distributor branch, or distributor  
48 representative earlier than 15 days from the date the notice of the license or  
49 license renewal application was published in the North Carolina Register."

50 **SECTION 9.(b)** G.S. 20-295(a) reads as rewritten:

1       "(a) Division Action. – ~~The~~ Except as provided in G.S. 20-288(a)(1)b. and (a)(2), the  
2 Division shall either grant or deny an application for a license or license renewal within 30 days  
3 after receiving it. Any applicant denied a license shall, upon filing a written request within 30  
4 days, be given a hearing at the time and place determined by the Commissioner or a person  
5 designated by the Commissioner. A hearing shall be public and shall be held with reasonable  
6 promptness."

7               **SECTION 9.(c)** This section is effective when it becomes law and applies to  
8 applications received on or after that date.

9  
10 **SEVERABILITY CLAUSE**

11               **SECTION 10.** If any provision of this act or its application is held invalid, the  
12 invalidity does not affect other provisions or applications of this act that can be given effect  
13 without the invalid provisions or application and, to this end, the provisions of this act are  
14 severable.

15  
16 **EFFECTIVE DATE**

17               **SECTION 11.** Except as provided in Section 2(b) of this act, Sections 1 through 6  
18 of this act become effective September 1, 2023, and apply to all current and future franchises and  
19 other agreements in existence between any new motor vehicle dealer located in this State and a  
20 manufacturer or distributor as of that date. Except as otherwise provided, this act is effective  
21 when it becomes law.