



# SENATE BILL 674: Truck Dealer Cost Reimbursement

2015-2016 General Assembly

**Committee:** Senate Commerce  
**Introduced by:** Sen. Apodaca  
**Analysis of:** First Edition

**Date:** April 23, 2015  
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Committee Counsel

**SUMMARY:** *Senate Bill 674 would increase the amount of reimbursement paid to heavy duty truck dealers by manufacturers or distributors when they sell trucks directly to converters and other nondealer retailers rather than going through a dealer. The reimbursement is intended to compensate dealers for expenses incurred in servicing the vehicles, which they are required to do under franchise agreements, even when they are excluded from the sale.*

**CURRENT LAW:** G.S. 20-305.1(g) provides a reimbursement mechanism for heavy duty truck dealers to receive compensation from manufacturers or distributors who sell trucks directly to converters and other retailers, bypassing the franchised dealer. Because dealers are still required to service the trucks under their franchise agreements, the reimbursement is intended to compensate the dealer for the cost of special tools, equipment, and training needed to service the vehicles. Under current law, the amount of compensation paid to the dealer is \$600 per vehicle.

**BILL ANALYSIS:** Senate Bill 674 would increase the amount of reimbursement paid to a heavy duty truck dealer from \$600 per vehicle to \$900 per vehicle sold directly by the manufacturer or distributor to a converter or retailer other than the franchised dealer.

**EFFECTIVE DATE:** The act would be effective when it becomes law and would apply to all current and future agreements between new motor vehicle dealers and manufacturers or distributors.

O. Walker Reagan  
Director



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