



# SENATE BILL 413: Clarify Motor Vehicle Dealer Laws.

2017-2018 General Assembly

<b>Committee:</b>		<b>Date:</b>	August 17, 2017
<b>Introduced by:</b>		<b>Prepared by:</b>	Wendy Ray Staff Attorney
<b>Analysis of:</b>	S.L. 2017-148		

**OVERVIEW:** *S.L. 2017-148 makes changes to North Carolina's Motor Vehicle Dealers and Manufacturers Licensing Law.*

*The part of this act pertaining to notification of shop fees becomes effective January 1, 2018, and applies to fees charged on or after that date. The remainder of the act became effective July 20, 2017.*

**BILL ANALYSIS:** This act makes the following changes to motor vehicle dealer and manufacturer licensing laws:

Continuing education exception for dealers. The act amends an exemption from continuing education requirements applicable to used motor vehicle dealers for individuals also licensed as new motor vehicle dealers. They were previously exempt if they operated an established showroom within 20 miles of the showroom for which a used motor vehicle dealer license is sought. The act extends the distance from 20 miles to 30 miles.

Extension of grandfather provision. The act extends an existing grandfather provision for certain manufacturer incentive programs from 2018 to 2022.

Warranty obligations for living facilities of recreational vehicles. The act establishes requirements for compensation of franchised recreational vehicle dealers and other obligations of warrantors and dealers for warranty or recall work related to the living facilities of recreational vehicles.

Shop fee notification. The act prohibits a dealer from charging shop fees and other service-related fees unless the dealer informs customers of the fees by posting a conspicuous notice of the fees in the service area of the dealership **and** disclosing the total amount of the fees on the customer's repair order or invoice.

Severability. The severability clause provides that if any part of the act is found to be invalid, the remaining provisions are still in effect.

**EFFECTIVE DATE:** The part of this act pertaining to notification of shop fees becomes effective January 1, 2018, and applies to fees charged on or after that date. The remainder of this act became effective July 20, 2017.

Karen Cochrane-Brown  
Director



Legislative Analysis  
Division  
919-733-2578