



# HOUSE BILL 848: RV Dealer Regulation.

2019-2020 General Assembly

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| <b>Committee:</b>     | House Transportation. If favorable, re-refer to Rules, Calendar, and Operations of the House | <b>Date:</b>        | May 28, 2019    |
| <b>Introduced by:</b> | Rep. Torbett   | <b>Prepared by:</b> | Howard Marsilio |
| <b>Analysis of:</b>   | PCS to First Edition<br>H848-CSBG-48   |                     | Staff Attorney  |

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**OVERVIEW:** *The Proposed Committee Substitute (PCS) to House Bill 848 would transition and modify the statutory framework for recreational vehicle dealers and manufacturers, which are currently covered by motor vehicle dealer and manufacturers regulation, by creating Article 19 within Chapter 20.*

*The PCS makes various technical and conforming changes.*

**CURRENT LAW:** For the purposes of Article 12 of Chapter 20, which contains the body of law relating to the licensing and regulation of motor vehicle dealers and manufacturers, recreational vehicles are covered by the definition of "motor vehicle" and are generally subject to the same regulatory framework and provisions that govern motor vehicle dealers, manufacturers, etc. Article 12 of Chapter 20 provides for:

- Licensure and regulation of motor vehicle dealers and manufacturers;
- Licensure requirements, fees, and specifications of licensure, including those for specialty vehicles;
- Dealership responsibilities relating to insurance, record-keeping, and the display of vehicles for sale;
- Powers and duties of the Division of Motor Vehicles Commissioner;
- Prohibitions on the coercion of retail dealers with regard to installment contracts, accepting commodities not ordered, and threatening the termination of a franchise;
- Dealer warranty and recall obligations;
- Manufacturer responsibilities regarding unfair methods of competition and discrimination among dealerships;
- Composition of the Motor Vehicle Dealers' Advisory Board;
- Protection of customer data obtained by dealerships from misuse by manufacturers or distributors;
- Requirements for salesmen.

## BILL ANALYSIS:

Karen Cochrane-Brown  
Director



Legislative Analysis  
Division  
919-733-2578

*This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.*

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This bill would transition and modify the statutory framework for recreational vehicle dealers and manufacturers, which are currently covered by motor vehicle dealer and manufacturers regulation, by creating Article 19 within Chapter 20.

**Section 1** of the bill would amend various laws within Article 12 to remove references and provisions applicable to recreational vehicles.

**Section 2** would amend various laws within Chapter 20 to clarify definitions relating to recreational vehicle types and classifications.

**Section 3** would create a new Article 19 within Chapter 20 of the General Statutes which would regulate new and used recreational vehicle dealers, recreational vehicle manufacturers, and would also:

- Create a recreational vehicle dealer, sales representative, manufacturer, and distributor or wholesaler licensure requirements, with:
  - Civil penalty provisions for violations of the licensure requirements.
  - Provisions for licensure application, expiration, and bonding.
  - Fee provisions.
  - Display and advertising requirements for licensees.
  - Provisions for noticing, denying, suspending, revoking, and refusing licensure.
- Create provisions regulating franchise-related form contracts between a franchised recreational vehicle dealer and a manufacturer, factory branch, distributor, or distributor branch, and establish a protest process involving the Commissioner of the NCDMV, and authorize the Commissioner to investigate and prevent violations of these provisions.
- Outline permissible and prohibited dealer and salesmen conduct with regard to insurance on recreational vehicles.
- Clarify the applicability of licensee actions against individuals within a copartnership or corporation, and their responsibilities for agents.
- Outline the powers of the NCDMV Commissioner relating to recreational vehicle buyer interests, enforcement of Article 19, conducting hearings, and rule making.
- Outline procedures relating to additional charges to franchised recreational vehicle dealer accounts.
- Prohibit manufacturers, distributors, or dealers from selling recreational vehicles in this State without a manufacturer and dealer agreement.
- Outline the procedures relating to:
  - Termination, cancellation, nonrenewal, or alteration of manufacturer and dealership agreements.
  - Repurchase of inventory.
  - Transfers of recreational vehicle dealerships.
  - Warranty obligations.
  - Inspection and rejections by dealers of recreational vehicles received from the manufacturer.

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- Various provisions relating to dispute resolution, court jurisdiction, and Article applicability.

**Section 4** would make various conforming changes within Chapter 20 to include references to Article 19.

**EFFECTIVE DATE:** This act would become effective when it becomes law and would apply to all agreements entered into on or after the date 12 months after the effective date.