

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S

1

SENATE BILL 674

Short Title: Truck Dealer Cost Reimbursement. (Public)

Sponsors: Senator Apodaca (Primary Sponsor).

Referred to: Commerce.

March 30, 2015

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE AMOUNT OF COMPENSATION PAYABLE BY A MANUFACTURER, MANUFACTURER BRANCH, DISTRIBUTOR, OR DISTRIBUTOR BRANCH OF CERTAIN NEW MOTOR VEHICLES TO MOTOR VEHICLE DEALERS TO COVER CERTAIN COSTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-305.1(g) reads as rewritten:

"(g) Truck Dealer Cost Reimbursement. – Every manufacturer, manufacturer branch, distributor, or distributor branch of new motor vehicles, or any affiliate or subsidiary thereof, ~~which~~that manufactures or distributes new motor vehicles with a gross vehicle weight rating of 16,000 pounds or more shall compensate its new motor vehicle dealers located in this State for the cost of special tools, equipment, and training for which its dealers are liable when the applicable manufacturer, manufacturer branch, distributor, or distributor branch sells a portion of its vehicle inventory to converters and other nondealer retailers. The purpose of this reimbursement is to compensate truck dealers for special additional costs these dealers are required to pay for servicing these vehicles when the dealers are excluded from compensation for these expenses at the point of sale. The compensation ~~which~~that shall be paid pursuant to this subsection shall be applicable only with respect to new motor vehicles with a gross vehicle weight rating of 16,000 pounds or more ~~which~~that are registered to end users within this State and that are sold by a manufacturer, manufacturer branch, distributor, or distributor branch to ~~either~~either of the following:

- (1) Persons or entities other than new motor vehicle dealers with whom the manufacturer, manufacturer branch, distributor, or distributor branch has entered into ~~franchises; or~~franchises.
- (2) Persons or entities that install custom bodies on truck chassis, including, but not limited to, mounted equipment or specialized bodies for concrete distribution, firefighting equipment, waste disposal, recycling, garbage disposal, buses, utility service, street sweepers, wreckers, and rollback bodies for vehicle recovery; provided, however, that no compensation shall be required to be paid pursuant to this subdivision with respect to vehicles sold for purposes of manufacturing or assembling school buses.

The amount of compensation ~~which~~that shall be payable by the applicable manufacturer, manufacturer branch, distributor, or distributor branch shall be ~~six~~nine hundred dollars ~~(\$600.00)~~(\$900.00) per new motor vehicle registered in this State whose chassis has a gross vehicle weight rating of 16,000 pounds or more. The compensation required pursuant to this subsection shall be paid by the applicable manufacturer, manufacturer branch, distributor, or



1 distributor branch to its franchised new motor vehicle dealer in closest proximity to the
2 registered address of the end user to whom the motor vehicle has been registered within 30
3 days after ~~such~~the registration. Upon receiving a request in writing from one of its franchised
4 dealers located in this State, a manufacturer, manufacturer branch, distributor, or distributor
5 branch shall promptly make available to ~~such~~the dealer its records relating to the registered
6 addresses of its new motor vehicles registered in this State for the previous 12 months and its
7 payment of compensation to dealers as provided in this subsection."

8 **SECTION 2.** This act is effective when it becomes law and applies to all current
9 and future franchises and other agreements in existence between any new motor vehicle dealer
10 located in this State and a manufacturer or distributor as of the effective date of this act.