

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

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SENATE BILL 717  
Transportation Committee Substitute Adopted 5/15/13  
House Committee Substitute Favorable 6/26/13

Short Title: MV Safety Inspector/MV Licensing Law Changes.

(Public)

Sponsors:

Referred to:

April 4, 2013

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES DISCRETION IN ASSESSING PENALTIES AND SUSPENSIONS ON SAFETY INSPECTION LICENSE HOLDERS FOR SAFETY INSPECTION LAW VIOLATIONS, AND TO CLARIFY THE MOTOR VEHICLE DEALERS' AND MANUFACTURERS' LICENSING LAW.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 20-183.7(a) reads as rewritten:

"§ 20-183.7. Fees for performing an inspection and issuing an electronic inspection authorization to a vehicle; use of civil penalties.

(a) Fee Amount. – When a fee applies to an inspection of a vehicle or the issuance of an electronic inspection authorization, the fee must be collected. The following fees apply to an inspection of a vehicle and the issuance of an electronic inspection authorization:

<u>Type</u>	<u>Inspection</u>	<u>Authorization</u>
Safety Only	\$12.75	\$ .85
Emissions and Safety	23.75	6.25.

The fee for performing an inspection of a vehicle applies when an inspection is performed, regardless of whether the vehicle passes the inspection. The fee for an electronic inspection authorization applies when an electronic inspection authorization is issued to a vehicle. ~~The fee for an inspection sticker does not apply to a replacement inspection sticker for use on a windshield replaced by a business registered with the Division pursuant to G.S. 20-183.6.~~ The fee for inspecting after-factory tinted windows shall be ten dollars (\$10.00), and the fee applies only to an inspection performed with a light meter after a safety inspection mechanic determined that the window had after-factory tint. A safety inspection mechanic shall not inspect an after-factory tinted window of a vehicle for which the Division has issued a medical exception permit pursuant to G.S. 20-127(f).

A vehicle that is inspected at an inspection station and fails the inspection is entitled to be reinspected at the same station at any time within 60 days of the failed inspection without paying another inspection fee.

The inspection fee for an emissions and safety inspection set out in this subsection is the maximum amount that an inspection station or an inspection mechanic may charge for an emissions and safety inspection of a vehicle. An inspection station or an inspection mechanic may charge the maximum amount or any lesser amount for an emissions and safety inspection of a vehicle. The inspection fee for a safety only inspection set out in this subsection may not be increased or decreased. The authorization fees set out in this subsection may not be increased or decreased."



1           **SECTION 2.** G.S. 20-183.7A reads as rewritten:

2   "**§ 20-183.7A. Penalties applicable to license holders and suspension or revocation of**  
3   **license for safety violations.**

4       (a)   Kinds of Violations. – The civil penalty schedule established in this section applies  
5 to safety self-inspectors, safety inspection stations, and safety inspection mechanics. The  
6 schedule categorizes safety violations into serious (Type I), minor (Type II), and technical  
7 (Type III) violations. A serious violation is a violation of this Part or a rule adopted to  
8 implement this Part that directly affects the safety or emissions reduction benefits of the safety  
9 inspection program. A minor violation is a violation of this Part or a rule adopted to implement  
10 this Part that reflects negligence or carelessness in conducting a safety inspection or complying  
11 with the safety inspection requirements but does not directly affect the safety benefits or  
12 emission reduction benefits of the safety inspection program. A technical violation is a  
13 violation that is not a serious violation, a minor violation, or another type of offense under this  
14 Part.

15       (b)   Penalty Schedule. – The Division must take the following action for a violation:

- 16           (1)   Type I. – For a first or second Type I violation within three years by a safety  
17 self-inspector or a safety inspection station, assess a civil penalty of two  
18 hundred fifty dollars (\$250.00) and suspend the license of the business for  
19 ~~six months~~ 180 days. For a third or subsequent Type I violation within three  
20 years by a safety self-inspector or a safety inspection station, assess a civil  
21 penalty of one thousand dollars (\$1,000) and revoke the license of the  
22 business for two years. For a first or second Type I violation within seven  
23 years by a safety inspection mechanic, assess a civil penalty of one hundred  
24 dollars (\$100.00) and suspend the mechanic's license for six months. For a  
25 third or subsequent Type I violation within seven years by a safety  
26 inspection mechanic, assess a civil penalty of two hundred fifty dollars  
27 (\$250.00) and revoke the mechanic's license for two years.
- 28           (2)   Type II. – For a first or second Type II violation within three years by a  
29 safety self-inspector or a safety inspection station, assess a civil penalty of  
30 one hundred dollars (\$100.00). For a third or subsequent Type II violation  
31 within three years by a safety self-inspector or a safety inspection station,  
32 assess a civil penalty of two hundred fifty dollars (\$250.00) and suspend the  
33 license of the business for 90 days. For a first or second Type II violation  
34 within seven years by a safety inspection mechanic, assess a civil penalty of  
35 fifty dollars (\$50.00). For a third or subsequent Type II violation within  
36 seven years by a safety inspection mechanic, assess a civil penalty of one  
37 hundred dollars (\$100.00) and suspend the mechanic's license for 90 days.
- 38           (3)   Type III. – For a first or second Type III violation within seven years by a  
39 safety self-inspector, a safety inspection station, or a safety inspection  
40 mechanic, send a warning letter. For a third or subsequent Type III violation  
41 within seven years by the same safety license holder, assess a civil penalty of  
42 twenty-five dollars (\$25.00).

43       (c)   Station or Self-Inspector Responsibility. – It is the responsibility of a safety  
44 inspection station and a safety self-inspector to supervise the safety inspection mechanics it  
45 employs. A violation by a safety inspection mechanic is considered a violation by the station or  
46 self-inspector for whom the mechanic is employed. The Division may stay a term of suspension  
47 for a first occurrence of a Type I violation for a station if the station agrees to follow the  
48 reasonable terms and conditions of the stay as determined by the Division. In determining  
49 whether to suspend a first occurrence violation for a station, the Division may consider the  
50 supervision provided by the station over the individual or individuals who committed the  
51 violation, action that has been taken to remedy future violations, or prior knowledge of the

1 station as to the acts committed by the individual or individuals who committed the violation,  
2 or a combination of these factors. The monetary penalty shall not be stayed or reduced.

3 (d) ~~Multiple Violations.~~ Violations in a Single Safety Inspection. – If a safety  
4 self-inspector, a safety inspection station, or a safety inspection mechanic commits two or more  
5 violations in the course of a single safety inspection, the Division shall take only the action  
6 specified for the most significant violation.

7 (d1) Multiple Violations in Separate Safety Inspections. – In the case of two or more  
8 violations committed in separate safety inspections, considered at one time, the Division shall  
9 consider each violation as a separate occurrence and shall impose a separate penalty for each  
10 violation as a first, second, or third or subsequent violation as found in the applicable penalty  
11 schedule. The Division may in its discretion direct that any suspensions for the first, second, or  
12 third or subsequent violations run concurrently. If the Division does not direct that the  
13 suspensions run concurrently, they shall run consecutively. Nothing in this section shall  
14 prohibit or limit a reviewing court's ability to affirm, reverse, remand, or modify the Division's  
15 decisions, whether discretionary or otherwise, pursuant to Article 4 of Chapter 150B of the  
16 General Statutes.

17 (e) Mechanic Training. – A safety inspection mechanic whose license has been  
18 suspended or revoked must retake the course required under G.S. 20-183.4 and successfully  
19 complete the course before the mechanic's license can be reinstated. Failure to successfully  
20 complete this course continues the period of suspension or revocation until the course is  
21 completed successfully."

22 **SECTION 3.** G.S. 20-183.7B reads as rewritten:

23 **"§ 20-183.7B. Acts that are Type I, II, or III safety violations.**

24 (a) Type I. – It is a Type I violation for a safety self-inspector, a safety inspection  
25 station, or a safety inspection mechanic to do any of the following:

- 26 (1) Issue a safety electronic inspection authorization to a vehicle without  
27 performing a safety inspection of vehicle.
- 28 (2) Issue a safety electronic inspection authorization to a vehicle after  
29 performing a safety inspection of the vehicle and determining that the  
30 vehicle did not pass the inspection.
- 31 (3) Allow a person who is not licensed as a safety inspection mechanic to  
32 perform a safety inspection for a self-inspector or at a safety station.
- 33 (4) Sell, issue, or otherwise give an electronic inspection authorization to  
34 another, other than as the result of a vehicle inspection in which the vehicle  
35 passed the inspection.
- 36 ~~(5) Be unable to account for five or more electronic inspection authorizations at~~  
37 ~~any one time upon the request of an officer of the Division.~~
- 38 (6) Perform a safety-only inspection on a vehicle that is subject to both a safety  
39 and an emissions inspection.
- 40 ~~(7) Transfer an electronic inspection authorization from one vehicle to another.~~
- 41 (8) Conduct a safety inspection of a vehicle without driving the vehicle and  
42 without raising the vehicle and without opening the hood of the vehicle to  
43 check equipment located therein.
- 44 (9) Solicit or accept anything of value to pass a vehicle other than as provided in  
45 this Part.

46 (b) Type II. – It is a Type II violation for a safety self-inspector, a safety inspection  
47 station, or a safety inspection mechanic to do any of the following:

- 48 (1) Issue a safety electronic inspection authorization to a vehicle without driving  
49 the vehicle and checking the vehicle's braking reaction, foot brake pedal  
50 reserve, and steering free play.

- 1 (2) Issue a safety electronic inspection authorization to a vehicle without raising  
2 the vehicle to free each wheel and checking the vehicle's tires, brake lines,  
3 parking brake cables, wheel drums, exhaust system, and the emissions  
4 equipment.
- 5 (3) Issue a safety electronic inspection authorization to a vehicle without raising  
6 the hood and checking the master cylinder, horn mounting, power steering,  
7 and emissions equipment.
- 8 (4) Conduct a safety inspection of a vehicle outside the designated inspection  
9 area.
- 10 (5) Issue a safety electronic inspection authorization to a vehicle with  
11 inoperative equipment, or with equipment that does not conform to the  
12 vehicle's original equipment or design specifications, or with equipment that  
13 is prohibited by any provision of law.
- 14 (6) Issue a safety electronic inspection authorization to a vehicle without  
15 performing a visual inspection of the vehicle's exhaust system.
- 16 (7) Issue a safety electronic inspection authorization to a vehicle without  
17 checking the exhaust system for leaks.
- 18 (8) Issue a safety electronic inspection authorization to a vehicle that is required  
19 to have any of the following emissions control devices but does not have the  
20 device:
- 21 a. Catalytic converter.
- 22 b. PCV valve.
- 23 c. Thermostatic air control.
- 24 d. Oxygen sensor.
- 25 e. Unleaded gas restrictor.
- 26 f. Gasoline tank ~~cap~~ cap or capless fuel system.
- 27 g. Air injection system.
- 28 h. Evaporative emissions system.
- 29 i. Exhaust gas recirculation (EGR) valve.
- 30 (9) Issue a safety electronic inspection authorization to a vehicle after failing to  
31 inspect four or more of following:
- 32 a. Emergency brake.
- 33 b. Horn.
- 34 c. Headlight high beam indicator.
- 35 d. Inside rearview mirror.
- 36 e. Outside rearview mirror.
- 37 f. Turn signals.
- 38 g. Parking lights.
- 39 h. Headlights – operation and lens.
- 40 i. Headlights – aim.
- 41 j. Stoplights.
- 42 k. Taillights.
- 43 l. License plate lights.
- 44 m. Windshield wiper.
- 45 n. Windshield wiper blades.
- 46 o. Window tint.
- 47 (10) Impose no fee for a safety inspection of a vehicle or the issuance of a safety  
48 electronic inspection authorization or impose a fee for one of these actions in  
49 an amount that differs from the amount set in G.S. 20-183.7.
- 50 (c) Type III. – It is a Type III violation for a safety self-inspector, a safety inspection  
51 station, or a safety inspection mechanic to do any of the following:

- 1 (1) Fail to post a safety inspection station license issued by the Division.
- 2 (2) Fail to send information on safety inspections to the Division at the time or
- 3 in the form required by the Division.
- 4 (3) Fail to post all safety information required by federal law and by the
- 5 Division.
- 6 (4) Fail to put the required information on an inspection receipt in a legible
- 7 manner using ink.
- 8 (5) Issue a receipt that is signed by a person other than the safety inspection
- 9 mechanic.
- 10 ~~(6) Place an incorrect expiration date on an electronic inspection authorization.~~
- 11 (7) Issue a safety electronic inspection authorization to a vehicle after having
- 12 failed to inspect three or fewer of the following:
- 13 a. Emergency brake.
- 14 b. Horn.
- 15 c. Headlight high beam indicator.
- 16 d. Inside rearview mirror.
- 17 e. Outside rearview mirror.
- 18 f. Turn signals.
- 19 g. Parking lights.
- 20 h. Headlights – operation and lens.
- 21 i. Headlights – aim.
- 22 j. Stoplights.
- 23 k. Taillights.
- 24 l. License plate lights.
- 25 m. Windshield wiper.
- 26 n. Windshield wiper blades.
- 27 o. Window tint.

28 (d) Other Acts. – The lists in this section of the acts that are Type I, Type II, or Type III  
29 violations are not the only acts that are one of these types of violations. The Division may  
30 designate other acts that are a Type I, Type II, or Type III violation."

31 **SECTION 4.** G.S. 20-183.8B reads as rewritten:

32 **"§ 20-183.8B. Civil penalties against license holders and suspension or revocation of**  
33 **license for emissions violations.**

34 (a) Kinds of Violations. – The civil penalty schedule established in this section applies  
35 to emissions self-inspectors, emissions inspection stations, and emissions inspection mechanics.  
36 The schedule categorizes emissions violations into serious (Type I), minor (Type II), and  
37 technical (Type III) violations.

38 A serious violation is a violation of this Part or a rule adopted to implement this Part that  
39 directly affects the emission reduction benefits of the emissions inspection program. A minor  
40 violation is a violation of this Part or a rule adopted to implement this Part that reflects  
41 negligence or carelessness in conducting an emissions inspection or complying with the  
42 emissions inspection requirements but does not directly affect the emission reduction benefits  
43 of the emissions inspection program. A technical violation is a violation that is not a serious  
44 violation, a minor violation, or another type of offense under this Part.

45 (b) Penalty Schedule. – The Division must take the following action for a violation:

- 46 (1) Type I. – For a first or second Type I violation by an emissions  
47 self-inspector or an emissions inspection station, assess a civil penalty of two  
48 hundred fifty dollars (\$250.00) and suspend the license of the business for  
49 ~~six months, 180 days.~~ For a third or subsequent Type I violation within three  
50 years by an emissions self-inspector or an emissions inspection station,

1 assess a civil penalty of one thousand dollars (\$1,000) and revoke the license  
2 of the business for two years.

3 For a first or second Type I violation by an emissions inspection  
4 mechanic, assess a civil penalty of one hundred dollars (\$100.00) and  
5 suspend the mechanic's license for ~~six months~~ 180 days. For a third or  
6 subsequent Type I violation within seven years by an emissions inspection  
7 mechanic, assess a civil penalty of two hundred fifty dollars (\$250.00) and  
8 revoke the mechanic's license for two years.

- 9 (2) Type II. – For a first or second Type II violation by an emissions  
10 self-inspector or an emissions inspection station, assess a civil penalty of one  
11 hundred dollars (\$100.00). For a third or subsequent Type II violation within  
12 three years by an emissions self-inspector or an emissions inspection station,  
13 assess a civil penalty of two hundred fifty dollars (\$250.00) and suspend the  
14 license of the business for 90 days.

15 For a first or second Type II violation by an emissions inspection  
16 mechanic, assess a civil penalty of fifty dollars (\$50.00). For a third or  
17 subsequent Type II violation within seven years by an emissions inspection  
18 mechanic, assess a civil penalty of one hundred dollars (\$100.00) and  
19 suspend the mechanic's license for 90 days.

- 20 (3) Type III. – For a first or second Type III violation by an emissions  
21 self-inspector, an emissions inspection station, or an emissions inspection  
22 mechanic, send a warning letter. For a third or subsequent Type III violation  
23 within three years by the same emissions license holder, assess a civil  
24 penalty of twenty-five dollars (\$25.00).

25 (c) Station or Self-Inspector Responsibility. – It is the responsibility of an emissions  
26 inspection station and an emissions self-inspector to supervise the emissions mechanics it  
27 employs. A violation by an emissions inspector mechanic is considered a violation by the  
28 station or self-inspector for whom the mechanic is employed. The Division may stay a term of  
29 suspension for a first occurrence of a Type I violation for a station if the station agrees to  
30 follow the reasonable terms and conditions of the stay as determined by the Division. In  
31 determining whether to suspend a first occurrence violation for a station, the Division may  
32 consider the supervision provided by the station over the individual or individuals who  
33 committed the violation, action that has been taken to remedy future violations, or prior  
34 knowledge of the station as to the acts committed by the individual or individuals who  
35 committed the violation, or a combination of these factors. The monetary penalty shall not be  
36 stayed or reduced.

37 (c1) Multiple Violations in a Single Emissions Inspection. – If an emissions  
38 self-inspector, an emissions inspection station, or an emissions inspection mechanic commits  
39 two or more violations in the course of a single emissions inspection, the Division shall take  
40 only the action specified for the most significant violation.

41 (c2) Multiple Violations in Separate Emissions Inspections. – In the case of two or more  
42 violations committed in separate emissions inspections, considered at one time, the Division  
43 shall consider each violation as a separate occurrence and shall impose a separate penalty for  
44 each violation as a first, second, or third or subsequent violation as found in the applicable  
45 penalty schedule. The Division may in its discretion direct that any suspensions for the first,  
46 second, or third or subsequent violations run concurrently. If the Division does not direct that  
47 the suspensions run concurrently, they shall run consecutively. Nothing in this section shall  
48 prohibit or limit a reviewing court's ability to affirm, reverse, remand, or modify the Division's  
49 decisions, whether discretionary or otherwise, pursuant to Article 4 of Chapter 150B of the  
50 General Statutes.

1       ~~(d) Missing Stickers. — The Division must assess a civil penalty against an emissions~~  
2 ~~inspection station, a windshield replacement station, or an emissions self-inspector that cannot~~  
3 ~~account for an emissions inspection sticker issued to it. A station or a self-inspector cannot~~  
4 ~~account for a sticker when the sticker is missing and the station or self-inspector cannot~~  
5 ~~establish reasonable grounds for believing the sticker was stolen or destroyed by fire or another~~  
6 ~~accident.~~

7       ~~(d1) Penalty for Missing Stickers. — The amount of the penalty is twenty-five dollars~~  
8 ~~(\$25.00) for each missing sticker. If a penalty is imposed under subsection (b) of this section as~~  
9 ~~the result of missing stickers, the monetary penalty that applies is the higher of the penalties~~  
10 ~~required under this subsection and subsection (b); the Division may not assess a monetary~~  
11 ~~penalty as a result of missing stickers under both this subsection and subsection (b) of this~~  
12 ~~section. Imposition of a monetary penalty under this subsection does not affect suspension or~~  
13 ~~revocation of a license required under subsection (b) of this section.~~

14       (e) Mechanic Training. – An emissions inspection mechanic whose license has been  
15 suspended or revoked must retake the course required under G.S. 20-183.4A and successfully  
16 complete the course before the mechanic's license can be reinstated. Failure to successfully  
17 complete this course continues the period of suspension or revocation until the course is  
18 completed successfully."

19       **SECTION 5.** G.S. 20-183.8C reads as rewritten:

20       "**§ 20-183.8C. Acts that are Type I, II, or III emissions violations.**

21       (a) Type I. – It is a Type I violation for an emissions self-inspector, an emissions  
22 inspection station, or an emissions inspection mechanic to do any of the following:

- 23       (1) Issue an emissions electronic inspection authorization on a vehicle without  
24 performing an emissions inspection of the vehicle.
- 25       (1a) Issue an emissions electronic inspection authorization to a vehicle after  
26 performing an emissions inspection of the vehicle and determining that the  
27 vehicle did not pass the inspection.
- 28       (2) Use a test-defeating strategy when conducting an emissions inspection by  
29 changing the emission standards for a vehicle by incorrectly entering the  
30 vehicle type or model year, or using data provided by the on-board  
31 diagnostic (OBD) equipment of another vehicle to achieve a passing result.
- 32       (3) Allow a person who is not licensed as an emissions inspection mechanic to  
33 perform an emissions inspection for a self-inspector or at an emissions  
34 station.
- 35       (4) Sell, issue, or otherwise give an electronic inspection authorization to  
36 another other than as the result of a vehicle inspection in which the vehicle  
37 passed the inspection or for which the vehicle received a waiver.
- 38       ~~(5) Be unable to account for five or more electronic inspection authorizations at~~  
39 ~~any one time upon the request of an auditor of the Division.~~
- 40       (6) Perform a safety-only inspection on a vehicle that is subject to both a safety  
41 and an emissions inspection.
- 42       ~~(7) Transfer an electronic inspection authorization from one vehicle to another.~~

43       (b) Type II. – It is a Type II violation for an emissions self-inspector, an emissions  
44 inspection station, or an emissions inspection mechanic to do any of the following:

- 45       (1) Use the identification code of another to gain access to an emissions  
46 analyzer or to equipment to analyze data provided by on-board diagnostic  
47 (OBD) equipment.
- 48       (2) Keep compliance documents in a manner that makes them easily accessible  
49 to individuals who are not inspection mechanics.

- 1 (3) Issue a safety electronic inspection authorization or an emissions electronic  
 2 inspection authorization on a vehicle that is required to have one of the  
 3 following emissions control devices but does not have it:  
 4 a. Catalytic converter.  
 5 b. PCV valve.  
 6 c. Thermostatic air control.  
 7 d. Oxygen sensor.  
 8 e. Unleaded gas restrictor.  
 9 f. Gasoline tank cap, cap or capless fuel system.  
 10 g. Air injection system.  
 11 h. Evaporative emissions system.  
 12 i. Exhaust gas recirculation (EGR) valve.
- 13 (4) Issue a safety electronic inspection authorization or an emissions electronic  
 14 inspection authorization on a vehicle without performing a visual inspection  
 15 of the vehicle's exhaust system and checking the exhaust system for leaks.
- 16 (5) Impose no fee for an emissions inspection of a vehicle or the issuance of an  
 17 emissions electronic inspection authorization or impose a fee for one of  
 18 these actions in an amount that differs from the amount set in G.S. 20-183.7.
- 19 (6) Issue an emissions electronic inspection authorization to a vehicle with a  
 20 faulty Malfunction Indicator Lamp (MIL) or to a vehicle that has been made  
 21 inoperable.

22 (c) Type III. – It is a Type III violation for an emissions self-inspector, an emissions  
 23 inspection station, or an emissions inspection mechanic to do any of the following:

- 24 (1) Fail to post an emissions license issued by the Division.  
 25 (2) Fail to send information on emissions inspections to the Division at the time  
 26 or in the form required by the Division.  
 27 (3) Fail to post emissions information required by federal law to be posted.  
 28 (4) Repealed by Session Law 2007-503, s. 16, effective October 1, 2008.  
 29 (5) Fail to put the required information on an inspection receipt in a legible  
 30 manner.  
 31 (6) Repealed by Session Laws 2007-503, s. 16, effective October 1, 2008.

32 (d) Other Acts. – The lists in this section of the acts that are Type I, Type II, or Type III  
 33 violations are not the only acts that are one of these types of violations. The Division may  
 34 designate other acts that are a Type I, Type II, or Type III violation."

35 **SECTION 6.** G.S. 20-183.8G(f) reads as rewritten:

36 "(f) Decision. – Upon the Commissioner's review of a decision ~~A decision~~ made after a  
 37 hearing on the imposition of a monetary penalty against a motorist for an emissions violation or  
 38 on a Type I, II, or III ~~emissions~~ violation by ~~an emissions~~ a license holder, the  
 39 Commissioner must uphold any monetary penalty, license suspension, license revocation, or  
 40 warning required by G.S. 20-183.7A, G.S. 20-183.8A or G.S. 20-183.8B, respectively, if the  
 41 decision is based on evidence presented at the hearing that supports the hearing officer's  
 42 determination ~~contains a finding~~ that the motorist or license holder committed the act for which  
 43 the monetary penalty, license suspension, license revocation, or warning was imposed.  
 44 Pursuant to the authority under G.S. 20-183.7A(c) and G.S. 20-183.8B(c), the Commissioner  
 45 may order a suspension for a first occurrence Type I violation of a station to be stayed upon  
 46 reasonable compliance terms to be determined by the Commissioner. Pursuant to the authority  
 47 under G.S. 20-183.7A(d1) and G.S. 183.8B(c2), the Commissioner may order the suspensions  
 48 against a license holder to run consecutively or concurrently. The Commissioner may uphold,  
 49 dismiss, or modify a decision ~~A decision~~ made after a hearing on any other ~~action~~ may uphold  
 50 or modify the action."

51 **SECTION 7.** G.S. 20-305 reads as rewritten:



1 **"§ 20-305. Coercing dealer to accept commodities not ordered; threatening to cancel**  
2 **franchise; preventing transfer of ownership; granting additional franchises;**  
3 **terminating franchises without good cause; preventing family succession.**

4 It shall be unlawful for any manufacturer, factory branch, distributor, or distributor branch,  
5 or any field representative, officer, agent, or any representative whatsoever of any of them:

6 ...  
7 (30) To vary the price charged to any of its franchised new motor vehicle dealers  
8 located in this State for new motor vehicles based on the dealer's purchase of  
9 new facilities, supplies, tools, equipment, or other merchandise from the  
10 manufacturer, the dealer's relocation, remodeling, repair, or renovation of  
11 existing dealerships or construction of a new facility, the dealer's  
12 participation in training programs sponsored, endorsed, or recommended by  
13 the manufacturer, whether or not the dealer is dualed with one or more other  
14 line makes of new motor vehicles, or the dealer's sales penetration. Except as  
15 provided in this subdivision, it shall be unlawful for any manufacturer,  
16 factory branch, distributor, or distributor branch, or any field representative,  
17 officer, agent, or any representative whatsoever of any of them to vary the  
18 price charged to any of its franchised new motor vehicle dealers located in  
19 this State for new motor vehicles based on the dealer's sales volume, the  
20 dealer's level of sales or customer service satisfaction, the dealer's purchase  
21 of advertising materials, signage, nondiagnostic computer hardware or  
22 software, communications devices, or furnishings, or the dealer's  
23 participation in used motor vehicle inspection or certification programs  
24 sponsored or endorsed by the manufacturer.

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

29 Notwithstanding the foregoing, nothing in this subdivision shall be  
30 deemed to preclude a manufacturer from establishing sales contests or  
31 promotions that provide or award dealers or consumers rebates or incentives;  
32 provided, however, that the manufacturer complies with all of the following  
33 conditions:

- 34 a. With respect to manufacturer to consumer rebates and incentives, the  
35 manufacturer's criteria for determining eligibility shall:
- 36 1. Permit all of the manufacturer's franchised new motor vehicle  
37 dealers in this State to offer the rebate or incentive; and
  - 38 2. Be uniformly applied and administered to all eligible  
39 consumers.
- 40 b. With respect to manufacturer to dealer rebates and incentives, the  
41 rebate or incentive program shall:
- 42 1. Be based solely on the dealer's actual or reasonably  
43 anticipated sales volume or on a uniform per vehicle sold or  
44 leased basis;
  - 45 2. Be uniformly available, applied, and administered to all of the  
46 manufacturer's franchised new motor vehicle dealers in this  
47 State; and
  - 48 3. Provide that any of the manufacturer's franchised new motor  
49 vehicle dealers in this State may, upon written request, obtain  
50 the method or formula used by the manufacturer in  
51 establishing the sales volumes for receiving the rebates or

1 incentives and the specific calculations for determining the  
2 required sales volumes of the inquiring dealer and any of the  
3 manufacturer's other franchised new motor vehicle dealers  
4 located within 75 miles of the inquiring dealer.

5 Nothing contained in this subdivision shall prohibit a manufacturer from  
6 providing assistance or encouragement to a franchised dealer to remodel,  
7 renovate, recondition, or relocate the dealer's existing facilities, provided that  
8 this assistance, encouragement, or rewards are not determined on a per  
9 vehicle basis.

10 It is unlawful for any manufacturer to charge or include the cost of any  
11 program or policy prohibited under this subdivision in the price of new  
12 motor vehicles that the manufacturer sells to its franchised dealers or  
13 purchasers located in this State.

14 In the event that as of October 1, 1999, 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  
19 that would violate this subdivision, it shall be lawful for that program or  
20 policy, including amendments to that program or policy that are consistent  
21 with the purpose and provisions of the existing program or policy, or a  
22 program or policy similar thereto implemented after October 1, 1999, to  
23 continue in effect as to the manufacturer's franchised dealers located in this  
24 State until June 30, ~~2014~~2018.

25 In the event that as of June 30, 2001, a manufacturer was operating a  
26 program that varied the price charged to its franchised dealers in this State in  
27 a manner that would violate this subdivision, or had in effect a documented  
28 policy that had been conveyed to its franchised dealers in this State and that  
29 varied the price charged to its franchised dealers in this State in a manner  
30 that would violate this subdivision, and the program or policy was  
31 implemented in this State subsequent to October 1, 1999, and prior to June  
32 30, 2001, and provided that the program or policy is in compliance with this  
33 subdivision as it existed as of June 30, 2001, it shall be lawful for that  
34 program or policy, including amendments to that program or policy that  
35 comply with this subdivision as it existed as of June 30, 2001, to continue in  
36 effect as to the manufacturer's franchised dealers located in this State until  
37 June 30, ~~2014~~2018.

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

42 The provisions of this subdivision shall not be applicable to multiple or  
43 repeated sales of new motor vehicles made by a new motor vehicle dealer to  
44 a single purchaser under a bona fide fleet sales policy of a manufacturer,  
45 factory branch, distributor, or distributor branch.

46 ...

47 (44) Notwithstanding the terms, provisions, or conditions of any agreement or  
48 franchise, to require, coerce, or attempt to coerce any new motor vehicle  
49 dealer located in this State to refrain from displaying in the dealer's  
50 showroom or elsewhere within the dealership facility any sports-related  
51 honors, awards, photographs, displays, or other artifacts or memorabilia;

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

7 (45) Notwithstanding the terms, provisions, or conditions of any agreement or  
8 franchise, to discriminate against a new motor vehicle dealer located in this  
9 State for selling or offering for sale a service contract, debt cancellation  
10 agreement, maintenance agreement, or similar product not approved,  
11 endorsed, sponsored, or offered by the manufacturer, distributor, affiliate, or  
12 captive finance source. For purposes of this subdivision, discrimination  
13 includes any of the following:

14 a. Requiring or coercing a dealer to exclusively sell or offer for sale  
15 service contracts, debt cancellation agreements, or similar products  
16 approved, endorsed, sponsored, or offered by the manufacturer,  
17 distributor, affiliate, or captive finance source.

18 b. Taking or threatening to take any adverse action against a dealer (i)  
19 because the dealer sells or offers for sale any service contracts, debt  
20 cancellation agreements, maintenance agreements, or similar  
21 products that have not been approved, endorsed, sponsored, or  
22 offered by the manufacturer, distributor, affiliate, or captive finance  
23 source or (ii) because the dealer fails to sell or offer for sale service  
24 contracts, debt cancellation agreements, maintenance agreements, or  
25 similar products approved, endorsed, sponsored, or offered by the  
26 manufacturer, distributor, their affiliate, or captive finance source.

27 c. Measuring a dealer's performance under a franchise in any part based  
28 upon the dealer's sale of service contracts, debt cancellation  
29 agreements, or similar products approved, endorsed, sponsored, or  
30 offered by the manufacturer, distributor, affiliate, or captive finance  
31 source.

32 d. Requiring a dealer to exclusively promote the sale of service  
33 contracts, debt cancellation agreements, or similar products  
34 approved, endorsed, sponsored, or offered by the manufacturer,  
35 distributor, affiliate, or captive finance source.

36 e. Considering the dealer's sale of service contracts, debt cancellation  
37 agreements, or similar products approved, endorsed, sponsored, or  
38 offered by the manufacturer, distributor, affiliate, or captive finance  
39 source in determining any of the following:

40 1. The dealer's eligibility to purchase any vehicles, parts, or  
41 other products or services from the manufacturer or  
42 distributor.

43 2. The volume of vehicles or other parts or services the dealer  
44 shall be eligible to purchase from the manufacturer or  
45 distributor.

46 3. The price or prices of any vehicles, parts, or other products or  
47 services that the dealer shall be eligible to purchase from the  
48 manufacturer or distributor.

49 4. The availability or amount of any vehicle discount, credit,  
50 special pricing, rebate, or sales or service incentive the dealer  
51 shall be eligible to receive from the manufacturer, distributor,

1 affiliate, or captive finance source in which the incentives are  
2 calculated or paid on a per-vehicle basis or any vehicle  
3 discount, credit, special pricing, or rebate that are calculated  
4 or paid on a per-vehicle basis.

5 For purposes of this subdivision, discrimination does not include, and  
6 nothing shall prohibit a manufacturer, distributor, affiliate, or captive finance  
7 source from, offering discounts, rebates, or other incentives to dealers who  
8 voluntarily sell or offer for sale service contracts, debt cancellation  
9 agreements, or similar products approved, endorsed, sponsored, or offered  
10 by the manufacturer, distributor, affiliate, or captive finance source;  
11 provided, however, that such discounts, rebates, or other incentives are based  
12 solely on the sales volume of the service contracts, debt cancellation  
13 agreements, or similar products sold by the dealer and do not provide vehicle  
14 sales or service incentives.

15 For purposes of this subdivision, a service contract provider or its  
16 representative shall not complete any sale or transaction of an extended  
17 service contract, extended maintenance plan, or similar product using  
18 contract forms that do not disclose the identity of the service contract  
19 provider.

20 (46) To require, coerce, or attempt to coerce a dealer located in this State to  
21 purchase goods or services of any nature from a vendor selected, identified,  
22 or designated by a manufacturer, distributor, affiliate, or captive finance  
23 source when the dealer may obtain goods or services of substantially similar  
24 quality and design from a vendor selected by the dealer, provided the dealer  
25 obtains prior approval from the manufacturer, distributor, affiliate, or captive  
26 finance source, for the use of the dealer's selected vendor. Such approval by  
27 the manufacturer, distributor, affiliate, or captive finance source may not be  
28 unreasonably withheld. For purposes of this subdivision, the term "goods"  
29 does not include moveable displays, brochures, and promotional materials  
30 containing material subject to the intellectual property rights of a  
31 manufacturer or distributor, or special tools as reasonably required by the  
32 manufacturer, or parts to be used in repairs under warranty obligations of a  
33 manufacturer or distributor. If the manufacturer, distributor, affiliate, or  
34 captive finance source claims that a vendor chosen by the dealer cannot  
35 supply goods and services of substantially similar quality and design, the  
36 dealer may file a protest with the Commissioner. When a protest is filed, the  
37 Commissioner shall promptly inform the manufacturer, distributor, affiliate,  
38 or captive finance source that a protest has been filed. The Commissioner  
39 shall conduct a hearing on the merits of the protest within 90 days following  
40 the filing of a response to the protest. The manufacturer, distributor, affiliate,  
41 or captive finance source shall bear the burden of proving that the goods or  
42 services chosen by the dealer are not of substantially similar quality and  
43 design to those required by the manufacturer, distributor, affiliate, or captive  
44 finance source.

45 (47) To fail to provide to a dealer, if the goods or services to be supplied to the  
46 dealer by a vendor selected, identified, or designated by the manufacturer or  
47 distributor are signs or other franchisor image elements to be purchased or  
48 leased to the dealer, the right to purchase or lease the signs or other  
49 franchisor image elements of similar quality and design from a vendor  
50 selected by the dealer. This subdivision and subdivision (46) of this section  
51 shall not be construed to allow a dealer or vendor to violate directly or

1 indirectly the intellectual property rights of the manufacturer or distributor,  
2 including, but not limited to, the manufacturer's or distributor's intellectual  
3 property rights in any trademarks or trade dress, or other intellectual  
4 property interests owned or controlled by the manufacturer or distributor, or  
5 to permit a dealer to erect or maintain signs that do not conform to the  
6 reasonable intellectual property right or trademark and trade dress usage  
7 guidelines of the manufacturer or distributor.

8 (48) To unreasonably interfere with a dealer's independence in staffing the  
9 dealership by engaging in any of the following conduct: (i) requiring,  
10 coercing, or attempting to coerce a dealer located in this State to employ,  
11 appoint, or designate an individual to serve full-time or exclusively in any  
12 specific capacity, role, or job function at the dealership, other than the  
13 employment or appointment of a full-time general manager; (ii) requiring a  
14 dealer to employ, appoint, or designate an individual to serve full-time or  
15 exclusively in any specific capacity, role, or job function at the dealership,  
16 other than the employment or appointment of a full-time general manager, in  
17 order to participate in or qualify for any incentive program offered or  
18 sponsored by the manufacturer or distributor or to otherwise receive any  
19 discounts, credits, rebates, or incentives of any kind that are calculated or  
20 paid on a per-vehicle basis; or (iii) requiring that the dealer obtain the  
21 approval of the manufacturer or distributor prior to employing or appointing  
22 any individual in any capacity, role, or job function at the dealership, other  
23 than the employment or appointment of a full-time general manager. Except  
24 as expressly provided above, nothing contained in this subdivision shall be  
25 deemed to prevent or prohibit a manufacturer or distributor from requiring  
26 that a dealer employ a reasonable number of trained employees to sell and  
27 service the factory's vehicles."

28 **SECTION 8.** G.S. 20-305.2 is amended by adding new subsections to read:

29 "(e) For purposes of this section, an unfair method of competition includes any physical  
30 or mechanical warranty repair made or provided directly by a manufacturer or distributor to any  
31 motor vehicle located within this State requiring the direct participation of a dealer franchised  
32 by the manufacturer or distributor and without such dealer receiving reasonable compensation,  
33 equal to an amount no less than the amount provided in G.S. 20-305.1.

34 (f) No claim or cause of action may be brought against a dealer in this State arising out  
35 of any warranty repair, fix, repair, or update that was provided by the manufacturer or  
36 distributor without the direct involvement and participation of the dealer. Any manufacturer or  
37 distributor that provides or attempts to provide a warranty repair, fix, repair, update, or  
38 adjustment directly to any motor vehicle located within this State without the direct  
39 participation of a dealer franchised by the manufacturer or distributor shall fully indemnify and  
40 hold harmless any dealer located in this State for all claims, demands, judgments, damages,  
41 attorneys' fees, litigation expenses, and all other costs and expenses incurred by the dealer  
42 arising out of the actual or attempted warranty repair, fix, repair, update, or adjustment."

43 **SECTION 9.** G.S. 20-305.7 reads as rewritten:

44 **"§ 20-305.7. Protecting dealership data and consent to access dealership information.**

45 ...

46 (f) The following definitions apply to this section:

47 (1) "Dealer management computer system" – A computer hardware and  
48 software system that is owned or leased by the dealer, including a dealer's  
49 use of Web applications, software, or hardware, whether located at the  
50 dealership or provided at a remote location and that provides access to  
51 customer records and transactions by a motor vehicle dealer located in this

1 State and that allows such motor vehicle dealer timely information in order  
2 to sell vehicles, parts or services through such motor vehicle dealership.

3 (2) "Dealer management computer system vendor" – A seller or reseller of  
4 dealer management computer systems ~~(but systems, a person that sells~~  
5 computer software for use on dealer management computer systems, or a  
6 person who services or maintains dealer management computer systems, but  
7 only to the extent that such person is each of the sellers, resellers, or other  
8 persons listed in this subdivision are engaged in such activities).activities.

9 (3) "Security breach" – An incident of unauthorized access to and acquisition of  
10 records or data containing dealership or dealership customer information  
11 where unauthorized use of the dealership or dealership customer information  
12 has occurred or is reasonably likely to occur or that creates a material risk of  
13 harm to a dealership or a dealership's customer. Any incident of  
14 unauthorized access to and acquisition of records or data containing  
15 dealership or dealership customer information, or any incident of disclosure  
16 of dealership customer information to one or more third parties which shall  
17 not have been specifically authorized by the dealer or customer, shall  
18 constitute a security breach.

19 (g1) Notwithstanding any of the terms or provisions contained in this section or in any  
20 consent, authorization, release, novation, franchise, or other contract or agreement, whenever  
21 any manufacturer, factory branch, distributor, distributor branch, dealer management computer  
22 system vendor, or any third party acting on behalf of or ~~through~~through, or approved, referred,  
23 endorsed, authorized, certified, granted preferred status, or recommended by, any manufacturer,  
24 factory branch, distributor, distributor branch, or dealer management computer system vendor  
25 requires that a new motor vehicle dealer provide any dealer, consumer, or customer data or  
26 information through direct access to a dealer's computer system, the dealer is not required to  
27 provide, and may not be required to consent to provide in any written agreement, such direct  
28 access to its computer system. The dealer may instead provide the same dealer, consumer, or  
29 customer data or information specified by the requesting party by timely obtaining and pushing  
30 or otherwise furnishing the requested data to the requesting party in a widely accepted file  
31 format such as comma delimited; provided that, when a dealer would otherwise be required to  
32 provide direct access to its computer system under the terms of a consent, authorization,  
33 release, novation, franchise, or other contract or agreement, a dealer that elects to provide data  
34 or information through other means may be charged a reasonable initial set-up fee and a  
35 reasonable processing fee based on the actual incremental costs incurred by the party  
36 requesting the data for establishing and implementing the process for the dealer. Any term or  
37 provision contained in any consent, authorization, release, novation, franchise, or other contract  
38 or agreement which is inconsistent with any term or provision contained in this subsection shall  
39 be voidable at the option of the dealer.

40 (g2) Notwithstanding the terms or conditions of any consent, authorization, release,  
41 novation, franchise, or other contract or agreement, every manufacturer, factory branch,  
42 distributor, distributor branch, dealer management computer system vendor, or any third party  
43 acting on behalf of or through any manufacturer, factory branch, distributor, distributor branch,  
44 or dealer management computer system vendor, having electronic access to consumer or  
45 customer data or other information in a computer system utilized by a new motor vehicle  
46 dealer, or who has otherwise been provided consumer or customer data or information by the  
47 dealer, shall fully indemnify and hold harmless any dealer from whom it has acquired such  
48 consumer or customer data or other information from all damages, costs, and expenses incurred  
49 by such ~~dealer, including, dealer.~~ Such indemnification by the manufacturer, factory branch,  
50 distributor, distributor branch, dealer management computer system vendor, or third party  
51 acting on behalf of these entities includes, but is not limited to, judgments, settlements, fines,

1 penalties, litigation costs, defense costs, court costs, costs related to the disclosure of security  
2 breaches, and attorneys' fees arising out of complaints, claims, civil or administrative actions,  
3 and, to the fullest extent allowable under the law, governmental investigations and prosecutions  
4 to the extent caused by a security breach or the access, storage, maintenance, use, sharing,  
5 disclosure, or retention of such dealer's consumer or customer data or other  
6 information, information, or maintenance or services provided to any computer system utilized  
7 by a new motor vehicle dealer. ~~by the manufacturer, factory branch, distributor, distributor~~  
8 ~~branch, dealer management computer system vendor, or third party acting on behalf of or~~  
9 ~~through such manufacturer, factory branch, distributor, distributor branch, or dealer~~  
10 ~~management computer system vendor.~~

11 ...."

12 **SECTION 10.** G.S. 20-305.1 reads as rewritten:

13 **"§ 20-305.1. Automobile dealer warranty obligations.**

14 (a) Each motor vehicle manufacturer, factory branch, distributor or distributor branch,  
15 shall specify in writing to each of its motor vehicle dealers licensed in this State the dealer's  
16 obligations for preparation, delivery and warranty service on its products, the schedule of  
17 compensation to be paid such dealers for parts, work, and service in connection with warranty  
18 service, and the time allowances for the performance of such work and service. In no event  
19 shall such schedule of compensation fail to include reasonable compensation for diagnostic  
20 work and associated administrative requirements as well as repair service and labor. Time  
21 allowances for the performance of warranty work and service shall be reasonable and adequate  
22 for the work to be performed. The compensation which must be paid under this section must be  
23 reasonable, provided, however, that under no circumstances may the reasonable compensation  
24 under this section be in an amount less than the dealer's current retail labor rate and the amount  
25 charged to retail customers for the manufacturer's or distributor's original parts for nonwarranty  
26 work of like kind, provided such amount is competitive with the retail rates charged for parts  
27 and labor by other franchised dealers within the dealer's market.

28 (a1) The retail rate customarily charged by the dealer for parts and labor may be  
29 established at the election of the dealer by the dealer submitting to the manufacturer or  
30 distributor 100 sequential nonwarranty customer-paid service repair orders which contain  
31 warranty-like parts, or 60 consecutive days of nonwarranty customer-paid service repair orders  
32 which contain warranty-like parts, whichever is less, covering repairs made no more than 180  
33 days before the submission and declaring the average percentage markup. The average of the  
34 parts markup rate and the average labor rate shall both be presumed to be ~~fair and~~ reasonable,  
35 however, a manufacturer or distributor may, not later than 30 days after submission, rebut that  
36 presumption by reasonably substantiating that the rate is unfair and unreasonable in light of the  
37 ~~practices of~~ retail rates charged for parts and labor by all other franchised motor vehicle dealers  
38 in the dealer's market offering the same line-make vehicles. In the event there are no other  
39 franchised dealers offering the same line-make of vehicle in the dealer's market, the  
40 manufacturer or distributor may compare the dealer's retail rate for parts and labor with the  
41 ~~practices of~~ retail rates charged for parts and labor by other franchised dealers who are selling  
42 competing line-makes of vehicles within the dealer's market. The retail rate and the average  
43 labor rate shall go into effect 30 days following the manufacturer's approval, but in no event  
44 later than 60 days following the declaration, subject to audit of the submitted repair orders by  
45 the manufacturer or distributor and a rebuttal of the declared rate as described above. If the  
46 declared rate is rebutted, the manufacturer or distributor shall propose an adjustment of the  
47 average percentage markup based on that rebuttal not later than 30 days after such audit, but in  
48 no event later than 60 days after submission. If the dealer does not agree with the proposed  
49 average percentage markup, the dealer may file a protest with the Commissioner not later than  
50 30 days after receipt of that proposal by the manufacturer or distributor. If such a protest is  
51 filed, the Commissioner shall inform the manufacturer or distributor that a timely protest has

1 been filed and that a hearing will be held on such protest. In any hearing held pursuant to this  
2 subsection, the manufacturer or distributor shall have the burden of proving by a preponderance  
3 of the evidence that the rate declared by the dealer was ~~unfair and~~ unreasonable as described in  
4 this subsection and that the proposed adjustment of the average percentage markup is ~~fair and~~  
5 reasonable pursuant to the provisions of this subsection. If the dealer prevails at a protest  
6 hearing, the dealer's proposed rate, affirmed at the hearing, shall be effective as of 60 days after  
7 the date of the dealer's initial submission of the customer-paid service orders to the  
8 manufacturer or distributor. If the manufacturer or distributor prevails at a protest hearing, the  
9 rate proposed by the manufacturer or distributor, that was affirmed at the hearing, shall be  
10 effective beginning 30 days following issuance of the final order.

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

- 13 (1) Repairs for manufacturer or distributor special events, specials, or  
14 promotional discounts for retail customer ~~repairs;~~repairs.
- 15 (2) Parts sold at wholesale or at reduced or specially negotiated rates for  
16 insurance ~~repairs;~~repairs.
- 17 (3) Engine ~~assemblies and transmission assemblies;~~assemblies.
- 18 (4) Routine maintenance not covered under warranty, such as fluids, filters, and  
19 belts not provided in the course of ~~repairs;~~repairs.
- 20 (5) Nuts, bolts, fasteners, and similar items that do not have an individual part  
21 ~~number;~~number.
- 22 (6) ~~Tires; and~~Tires.
- 23 (7) Vehicle reconditioning.
- 24 (8) Batteries and light bulbs.

25 ...."

26 **SECTION 11.** The terms and provisions of Sections 7 through 12 of this act shall  
27 be applicable to all current and future franchises and other agreements in existence between any  
28 new motor vehicle dealer located in this State and a manufacturer or distributor as of the  
29 effective date of this act.

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

34 **SECTION 13.** Sections 1 through 6 of this act become effective October 1, 2013,  
35 and apply to violations occurring on or after that date. The remainder of this act is effective  
36 when it becomes law.