

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1999

SESSION LAW 1999-336
SENATE BILL 419

AN ACT TO CLARIFY MOTOR VEHICLE DEALER TRANSFER RIGHTS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 20-305(18) reads as rewritten:

"(18) To prevent or attempt to prevent a dealer from receiving fair and reasonable compensation for the value of the franchised business transferred in accordance with G.S. 20-305(4) ~~above.~~ ~~above,~~ or to prevent or attempt to prevent, through the exercise of any contractual right of first refusal or otherwise, a dealer located in this State from transferring the franchised business to such persons or other entities as the dealer shall designate in accordance with G.S. 20-305(4). The opinion or determination of a manufacturer that the existence or location of one of its franchised dealers situated in this State is not viable or is not consistent with the manufacturer's distribution or marketing forecast or plans shall not constitute a lawful basis for the manufacturer to fail or refuse to approve a dealer's proposed transfer of ownership submitted in accordance with G.S. 20-305(4), or "good cause" for the termination, cancellation, or nonrenewal of the franchise under G.S. 20-305(6) or for the rejection of an owner's designated successor appointed pursuant to G.S. 20-305(7). No manufacturer shall owe any duty to any actual or potential purchaser of a motor vehicle franchise located in this State to disclose to such actual or potential purchaser its own opinion or determination that the franchise being sold or otherwise transferred is not viable or is not consistent with the manufacturer's distribution or marketing forecast or plans."

Section 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 13th day of July, 1999.

s/ Dennis A. Wicker
President of the Senate

s/ James B. Black
Speaker of the House of Representatives

s/ James B. Hunt, Jr.
Governor

Approved 5:50 p.m. this 22nd day of July, 1999