

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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SENATE BILL DRS45365-MW-49A

Short Title: Clarify Vehicle Repair/Dealers/Inspection. (Public)

Sponsors: Senators Krawiec and Lowe (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO CLARIFY PROVISIONS GOVERNING MOTOR VEHICLE REPAIR,  
3 DEALERS, AND INSPECTIONS.

4 The General Assembly of North Carolina enacts:

5  
6 **CLARIFY PROVISIONS OF THE MOTOR VEHICLE REPAIR ACT**

7 **SECTION 1.** G.S. 20-354.2 reads as rewritten:

8 "**§ 20-354.2. Definitions.**

9 As used in this act:

- 10 ...
- 11 (4) "Motor vehicle repair" means all maintenance of and modification and repairs  
12 to motor vehicles and the diagnostic work incident to those repairs, including,  
13 but not limited to, the rebuilding or restoring of rebuilt vehicles, body work,  
14 painting, warranty work, software updates, shop supply fees, hazardous  
15 material disposal fees incident to a repair, and other work customarily  
16 undertaken by motor vehicle repair shops. Motor vehicle repair does not  
17 include the sale or installation of tires when authorized by the customer.
- 18 (5) "Motor vehicle repair shop" means any person who, for compensation,  
19 engages or attempts to engage in the repair of motor vehicles owned by other  
20 persons and ~~includes, but is not limited to:~~ includes:
- 21 a. Mobile motor vehicle repair shops.
  - 22 b. Motor vehicle and recreational vehicle dealers.
  - 23 c. Garages.
  - 24 d. Service stations.
  - 25 e. Self-employed individuals.
  - 26 f. Truck stops.
  - 27 g. Paint and body shops.
  - 28 h. Brake, muffler, or transmission shops.
  - 29 i. Shops doing glasswork.
  - 30 j. Companies offering virtual, digital, or internet-enabled repairs,  
31 updates, or software updates.

32 Any person who engages solely in the maintenance or repair of the coach portion of a  
33 recreational vehicle is not a motor vehicle repair shop."

34  
35 **CLARIFY PROVISIONS OF THE MOTOR VEHICLE DEALERS AND**  
36 **MANUFACTURERS LAW**



1           **SECTION 2.** G.S. 20-305.2 reads as rewritten:

2   "**§ 20-305.2. Unfair methods of competition; protection of car-buying public.**

3       (a) It is unlawful for any motor vehicle manufacturer, factory branch, distributor,  
4 distributor branch, or subsidiary thereof, to directly or indirectly through any parent, subsidiary,  
5 or affiliated entity, whether or not such motor vehicle manufacturer, factory branch, distributor,  
6 distributor branch, or subsidiary thereof has entered into a franchise, within the meaning of  
7 G.S. 20-286(8a), with any person or entity in this State, own any ownership interest in, operate,  
8 or control any motor vehicle dealer in this State or any entity in this State that provides warranty  
9 ~~service or repairs at retail service, repairs, or updates at retail, whether performed physically,~~  
10 virtually, or digitally, to file a motor vehicle dealer application with the Division pursuant to  
11 G.S. 20-288, or to be licensed by the Division as a motor vehicle dealer, provided that this section  
12 shall not be construed to prohibit any of the following:

13       ...

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

19       ...."

20           **SECTION 3.** G.S. 20-305 is amended by adding a new subdivision to read:

21       "(53) To prohibit or to in any way unreasonably limit or restrict a dealer from using  
22       electronic signature technology that conforms to Article 40 of Chapter 66 of  
23       the General Statutes to facilitate or execute loaner, demonstrator, rental, and  
24       test drive agreements and forms."

## 25           **CLARIFY VEHICLE INSPECTION REQUIREMENT FOR AFFILIATE DEALER**

26           **SECTION 4.** G.S. 20-183.4C reads as rewritten:

27   "**§ 20-183.4C. When a vehicle must be inspected; 10-day temporary license plate.**

28       (a) Inspection. – A vehicle that is subject to a safety inspection, an emissions inspection,  
29 or both must be inspected as follows:

30           (1) A new vehicle must be inspected before it is delivered to a purchaser at retail  
31 in this State. Upon purchase, a receipt approved by the Division must be  
32 provided to the new owner certifying compliance. Notwithstanding, an  
33 inspection is not required if the vehicle was previously inspected by an  
34 affiliated dealership, or between dealerships having common or interrelated  
35 ownership, and the inspection occurred either within 180 days from the date  
36 of sale or within 300 miles from the mileage recorded at the date of sale.

37       ...

38           (2) A used vehicle must be inspected before it is offered for sale at retail in this  
39 State by a dealer. Upon purchase, a receipt approved by the Division must be  
40 provided to the new owner certifying compliance. Notwithstanding, an  
41 inspection is not required if the vehicle was previously inspected by an  
42 affiliated dealership, or between dealerships having common or interrelated  
43 ownership, and the inspection occurred either within 180 days from the date  
44 of sale or within 300 miles from the mileage recorded at the date of sale.

45       ...."

## 46           **EFFECTIVE DATE**

47           **SECTION 5.** This act becomes effective October 1, 2021.