

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 1279
Committee Substitute Favorable 5/5/89

Short Title: Post-Manufacture Damage Disclosure.

(Public)

Sponsors:

Referred to:

April 12, 1989

A BILL TO BE ENTITLED

AN ACT TO AMEND G.S. 20-305.1 BY ADDING NEW PROVISIONS TO REQUIRE MOTOR VEHICLE MANUFACTURERS TO DISCLOSE POST-MANUFACTURING DAMAGES AND REPAIRS TO DEALERS AND TO REQUIRE DEALERS TO DISCLOSE TO PURCHASERS IN WRITING ANY NEW CAR DAMAGES WHICH EXCEED FIVE PERCENT OF "MANUFACTURER'S SUGGESTED RETAIL PRICE."

The General Assembly of North Carolina enacts:

Section 1. G.S. 20-305.1(d) is amended by inserting a new subdivision to read:

"(5a) No manufacturer shall fail to disclose in writing to a new motor vehicle dealer, at the time of delivery of a new motor vehicle, the nature and extent of any and all damage and post-manufacturing repairs made to such motor vehicle while in the possession or under the control of the manufacturer in all cases where the damage to the new motor vehicle exceeds three percent (3%) of the manufacturer's invoice price to the dealer."

Sec. 2. G.S. 20-305.1 is further amended by adding two new subsections to read:

"(e) Damage/Repair Disclosure. Notwithstanding the provisions of subdivision (d)(4) of this section and in supplementation thereof, a new motor vehicle dealer shall disclose in writing to a purchaser of the new motor vehicle prior to entering into a sales contract any damage and repair to the new motor vehicle if the damage exceeds five

1 percent (5%) of the manufacturer's suggested retail price as calculated at the rate of the
2 dealer's authorized warranty rate for labor and parts.

3 (1) A new motor vehicle dealer is not required to disclose to a purchaser
4 that any glass, tires or bumper of a new motor vehicle was damaged at
5 any time if the damaged item has been replaced with original or
6 comparable equipment.

7 (2) If disclosure is not required under this section, a purchaser may not
8 revoke or rescind a sales contract due solely to the fact that the new
9 motor vehicle was damaged and repaired prior to completion of the
10 sale.

11 (3) For purposes of this section, 'manufacturer's suggested retail price'
12 means the retail price of the new motor vehicle suggested by the
13 manufacturer including the retail delivered price suggested by the
14 manufacturer for each accessory or item of optional equipment
15 physically attached to the new motor vehicle at the time of delivery to
16 the new motor vehicle dealer which is not included within the retail
17 price suggested by the manufacturer for the new motor vehicle.

18 (f) The provisions of subsections (d) and (e) shall not apply to manufacturers and
19 dealers of 'motorcycles' as defined in G.S. 20-4.01(27)."

20 Sec. 3. This act shall become effective October 1, 1989.