

Senate Bill 166

By: Senators Miller of the 49th, Mullis of the 53rd, Gooch of the 51st, Shafer of the 48th, Staton of the 18th and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 10-1-664.1 of the Official Code of Georgia Annotated, relating to
2 restrictions on the ownership, operation, or control of dealerships by manufacturers and
3 franchisers and competing unfairly with new dealers, so as to modify provisions relating to
4 manufacturers selling a limited number of new motor vehicles to customers with custom
5 design specifications; to amend Chapter 5C of Title 48 of the Official Code of Georgia
6 Annotated, relating to fair market value of motor vehicles, so as to provide that motor vehicle
7 manufacturers, distributors, and dealers that already have current motor vehicle registrations
8 on motor vehicles do not have to pay additional title ad valorem tax fees; to provide for
9 related matters; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Code Section 10-1-664.1 of the Official Code of Georgia Annotated, relating to restrictions
13 on the ownership, operation, or control of dealerships by manufacturers and franchisers and
14 competing unfairly with new dealers, is amended by revising subsection (a) as follows:

15 "(a) It shall be unlawful for any manufacturer or franchisor or any parent, affiliate, wholly
16 or partially owned subsidiary, officer, or representative of a manufacturer or franchisor to
17 own, operate, or control or to participate in the ownership, operation, or control of any new
18 motor vehicle dealer in this state within a 15 mile radius of an existing dealer of such
19 manufacturer or franchisor; to own, operate, or control, directly or indirectly, more than a
20 45 percent interest in a dealer or dealership in this state; to establish in this state an
21 additional dealer or dealership in which such person or entity has any interest; or to own,
22 operate, or control, directly or indirectly, any interest in a dealer or dealership in this state
23 unless such person or entity has acquired such interest from a dealer or dealership which
24 has been in operation for at least five years prior to such acquisition; provided, however,
25 that this subsection shall not be construed to prohibit:

(1) The ownership, operation, or control by a manufacturer or franchisor of a new motor vehicle dealer for a temporary period, not to exceed one year, during the transition from one owner or operator to another;

(2) The ownership, operation, or control of a new motor vehicle dealer by a manufacturer or franchisor during a period in which such new motor vehicle dealer is being sold under a bona fide contract, shareholder agreement, or purchase option to the operator of the dealership;

(3) The ownership, operation, or control of a new motor vehicle dealer by a manufacturer or franchisor at the same location at which such manufacturer or franchisor has been engaged in the retail sale of new motor vehicles as the owner, operator, or controller of such dealership for a continuous two-year period of time immediately prior to April 1, 1999, where there is no prospective new motor vehicle dealer available to own or operate the dealership in a manner consistent with the public interest;

(4) The ownership, operation, or control by a manufacturer which manufactures only motorcycles or motor homes of a retail sales operation engaged in the retail sale of motorcycles or motor homes;

(5) The ownership, operation, or control by a manufacturer which is selling motor vehicles directly to the public at an established place of business on January 1, 1999, and which has never sold its line make of new motor vehicles in Georgia through a franchised new motor vehicle dealer unless and until such manufacturer is wholly or partially acquired by another manufacturer or franchisor;

(6) The ownership, operation, or control by a manufacturer which manufactures trucks with a gross vehicle weight rating of 12,500 pounds or more of a new motor vehicle dealer which only sells trucks with a gross vehicle weight rating of 12,500 pounds or more at the same location at which such manufacturer has been engaged in the retail sale of such trucks as the owner, operator, or controller of such dealership for a continuous two-year period of time immediately prior to April 1, 1999, or at one additional location which is not located within the relevant market area of an existing dealer of the same line make of trucks; provided, however, that this exemption shall apply to a manufacturer described in this paragraph only until such manufacturer is wholly or partially acquired by another manufacturer or distributor; or

(7) A manufacturer from selling new motor vehicles to customers if such vehicles are manufactured or assembled in accordance with custom design specifications of the customer and ~~such sales are~~ the number of motor vehicles manufactured annually by such manufacturer is limited to no more than ~~150~~ 250 vehicles per year."

SECTION 2.

Chapter 5C of Title 48 of the Official Code of Georgia Annotated, relating to fair market value of motor vehicles, is amended by adding a new Code section to read as follows:

"48-5C-2.

Any other provision of law notwithstanding, any motor vehicle manufacturer, distributor, or dealer which has a current motor vehicle registration issued by the commissioner pursuant to Code Section 40-2-38, titled in the name of such motor vehicle manufacturer, distributor, or dealer that is holding such registered vehicle in inventory for sale or resale shall not be subject to any state or local title ad valorem tax fees."

SECTION 3.

All laws and parts of laws in conflict with this Act are repealed.