

House Bill 925

By: Representatives Martin of the 49th, Brockway of the 102nd, and Ehrhart of the 36th

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 motor vehicle dealerships by
3 manufacturers and franchisors, so as to provide an exemption for the sale of zero emission
4 vehicles; to provide for related matters; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Code Section 10-1-664.1 of the Official Code of Georgia Annotated, relating to restrictions
8 on the ownership, operation, or control of motor vehicle dealerships by manufacturers and
9 franchisors, is amended by revising subsection (a) as follows:

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

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

24 (2) The ownership, operation, or control of a new motor vehicle dealer by a manufacturer
25 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, 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 limited to no more than 150 vehicles per year; or

(8) A manufacturer from selling a new zero emission vehicle; provided, however, that no more than 1,500 such vehicles may be sold per year. For purposes of this paragraph, the term 'zero emission vehicle' shall mean a motor vehicle which has zero tailpipe and evaporative emissions and shall include an electric vehicle with a drive train powered solely by electricity, provided that such electricity is not produced by any on-board combustion device."

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SECTION 2.

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