

House Bill 393

By: Representatives Martin of the 49th, Maxwell of the 17th, Stover of the 71st, Dudgeon of the 25th, Brockway of the 102nd, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 5 of Article 22 of Chapter 1 of Title 10 of the Official Code of Georgia
2 Annotated, relating to motor vehicle fair practices, so as to provide for an exception to
3 restrictions on the ownership, operation, or control of dealerships by manufacturers and
4 franchisors; 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 Part 5 of Article 22 of Chapter 1 of Title 10 of the Official Code of Georgia Annotated,
8 relating to motor vehicle fair practices, is amended in Code Section 10-1-664.1, relating to
9 restrictions on the ownership, operation, or control of dealerships by manufacturers and
10 franchisors, by adding a new paragraph to subsection (a) to read as follows:

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

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

25 (2) The ownership, operation, or control of a new motor vehicle dealer by a manufacturer
26 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~~ this state 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) The ownership, operation, or control by a person who performs the major portion of the assembly of a motor vehicle who is selling its line make of motor vehicles directly to the public at an established place of business on January 1, 2015, and who has never sold its line make of motor vehicles in this state through a franchised new motor vehicle dealer."

SECTION 2.

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