

## Session 120 - (2013-2014)

**S\*0382 (Rat #0052, Act #0044 of 2013) General Bill, By Grooms, Alexander, L. Martin, Campbell, Davis, McGill, Nicholson, O'Dell, Reese, Shealy, Johnson, Verdin, Williams, Cleary, Allen, Rankin, Setzler, Lourie, Scott, Ford, Turner, Bennett, Corbin, Bright, Hutto, Jackson, Sheheen, Pinckney, Cromer, Hembree, Matthews, McElveen, Young, Hayes and Malloy**

**Summary:** Manufacturers and dealers

AN ACT TO AMEND SECTION 56-15-10, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEFINITIONS FOR REGULATING MANUFACTURERS, DISTRIBUTORS, AND DEALERS, SO AS TO DEFINE THE TERMS "DUE CAUSE" AND "MATERIAL BREACH"; TO AMEND SECTION 56-15-40, RELATING TO SPECIFIC ACTS DEEMED UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE ACTS OR PRACTICES, SO AS TO PROVIDE THAT A MANUFACTURER, DISTRIBUTOR, WHOLESALER, DISTRIBUTOR BRANCH OR DIVISION, FACTORY BRANCH OR DIVISION, WHOLESALE BRANCH OR DIVISION, OFFICER, AGENT, OR OTHER REPRESENTATIVE THEREOF, MAY NOT REQUIRE OR COERCE A MOTOR VEHICLE DEALER TO OFFER TO SELL OR SELL ANY EXTENDED SERVICE CONTRACT, EXTENDED MAINTENANCE PLAN, FINANCIAL PRODUCT, OR INSURANCE PRODUCT OFFERED, SOLD, OR SPONSORED BY THE MANUFACTURER OR TO SELL, ASSIGN, OR TRANSFER ANY RETAIL INSTALLMENT SALES CONTRACT OR LEASE OBTAINED BY THE MOTOR VEHICLE DEALER IN CONNECTION WITH THE SALE OR LEASE OF A NEW MOTOR VEHICLE MANUFACTURED BY THE MANUFACTURER TO A SPECIFIED FINANCE COMPANY, CLASS OF FINANCE COMPANIES, LEASING COMPANY, CLASS OF LEASING COMPANIES, OR TO ANY OTHER SPECIFIED PERSON; TO DEFINE THE TERM "FINANCIAL SERVICES COMPANY"; AND TO PROVIDE THAT A MANUFACTURER OR DISTRIBUTOR MAY NOT USE CERTAIN FINANCIAL SERVICES COMPANIES OR LEASING COMPANIES TO ACCOMPLISH ILLEGAL CONDUCT; BY ADDING SECTION 56-15-47 SO AS TO PROVIDE THAT A MANUFACTURER MAY NOT PREVENT A MOTOR VEHICLE DEALER FROM DESIGNATING A SUCCESSOR TO THE DEALERSHIP IN THE EVENT OF DEATH OR INCAPACITY OF THE MOTOR VEHICLE DEALER, AND TO PROVIDE THE CONDITIONS UPON WHICH A PERSON MAY SUCCEED TO A FRANCHISE; TO AMEND SECTION 56-15-60, RELATING TO MOTOR VEHICLE DEALER'S CLAIMS FOR COMPENSATION, SO AS TO PROVIDE THAT ALL WARRANTY CLAIMS, SERVICE CLAIMS, OR INCENTIVE CLAIMS NOT SPECIFICALLY DISAPPROVED IN WRITING WITHIN THIRTY DAYS OF RECEIPT SHALL BE CONSTRUED AS APPROVED AND PAYMENT MUST FOLLOW WITHIN THIRTY DAYS, AND A MANUFACTURER SHALL NOT UNREASONABLY DISAPPROVE A CLAIM THAT RESULTS IN A CLERICAL OR ADMINISTRATIVE ERROR AND THAT CLAIM DISAPPROVAL MUST BE BASED ON A MATERIAL DEFECT; BY ADDING SECTION 56-15-95 SO AS TO PROVIDE THAT A MANUFACTURER MAY NOT TERMINATE OR CANCEL A FRANCHISE OR SELLING AGREEMENT OF A MOTOR VEHICLE DEALER WITHOUT DUE CAUSE, AND TO PROVIDE THE FACTORS THE COURT MUST USE WHEN IT DETERMINES WHETHER DUE CAUSE EXISTS; BY ADDING SECTION 56-15-96 SO AS TO PROVIDE THAT A PERFORMANCE STANDARD, SALES EFFECTIVENESS STANDARD, SALES OBJECTIVE, OR PROGRAM FOR MEASURING DEALERSHIP PERFORMANCE THAT MAY HAVE A MATERIAL EFFECT ON A MOTOR VEHICLE DEALER SHALL BE FAIR, REASONABLE, EQUITABLE, BASED ON ACCURATE INFORMATION, AND UNIFORMLY APPLIED TO OTHER SIMILARLY SITUATED MOTOR VEHICLE DEALERS; AND BY ADDING SECTION 56-15-98 SO AS TO PROVIDE THAT A MANUFACTURER OR DISTRIBUTOR, OFFICER, AGENT, OR ANY REPRESENTATIVE OF A MANUFACTURER OR DISTRIBUTOR MAY NOT UNREASONABLY ALTER A NEW MOTOR VEHICLE DEALER'S AREA OF RESPONSIBILITY, AND TO PROVIDE A PROCEDURE TO ALTER A NEW MOTOR VEHICLE DEALER'S AREA OF RESPONSIBILITY. - ratified title

02/13/13	Senate	Introduced and read first time (Senate Journal-page 5)
02/13/13	Senate	Referred to Committee on Transportation (Senate Journal-page 5)
03/12/13	Senate	Committee report: Favorable with amendment Transportation (Senate Journal-page 10)
03/13/13		Scrivener's error corrected
03/13/13	Senate	Committee Amendment Adopted (Senate Journal-page 25)
03/13/13	Senate	Read second time (Senate Journal-page 25)
03/13/13	Senate	Roll call Ayes-40 Nays-0 (Senate Journal-page 25)
03/14/13		Scrivener's error corrected
03/14/13	Senate	Read third time and sent to House (Senate Journal-page 9)
03/19/13	House	Introduced and read first time (House Journal-page 22)
03/19/13	House	Referred to Committee on Judiciary (House Journal-page 22)
05/15/13	House	Committee report: Favorable Judiciary (House Journal-page 2)
05/21/13	House	Read second time (House Journal-page 25)

05/21/13 House Roll call Yeas-109 Nays-1 (House Journal-page 27)  
05/22/13 House Read third time and enrolled (House Journal-page 15)  
06/04/13 Ratified R 52  
06/07/13 Signed By Governor  
06/18/13 Effective date 06/07/13  
06/18/13 Act No. 44