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SENATE BILL NO. 1333

Offered January 9, 2019 Prefiled January 8, 2019

A BILL to amend and reenact § 46.2-1570 of the Code of Virginia, relating to motor vehicle dealers and manufacturers; franchises; discontinuation of manufacturing rights.

Patrons—Cosgrove and Spruill

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:

1. That § 46.2-1570 of the Code of Virginia is amended and reenacted as follows: § 46.2-1570. Transfer or discontinuation of distributors and manufacturers.

If a manufacturer or factory branch sells or otherwise transfers its right to manufacture or distribute a line-make of motor vehicles, or discontinues its right to manufacture or distribute a line-make of motor vehicles and another manufacturer or factory branch manufactures or distributes motor vehicles of the same line-make or the same motor vehicles of a re-named line-make, or if the contract between a distributor or distributor branch and a manufacturer or importer is terminated or otherwise discontinued, all franchises granted to motor vehicle dealers in Virginia by that manufacturer, factory branch, distributor, or distributor branch shall continue in full force and shall not be affected by the transfer, termination, or discontinuance, except that the manufacturer, factory branch, distributor branch, representative, or other person who undertakes to manufacture or distribute motor vehicles of the same line-make or the same motor vehicles of a re-named line-make shall be substituted for the discontinued manufacturer, factory branch, distributor, or distributor branch under the existing motor vehicle dealer franchises, and those franchises shall be modified accordingly.