

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	9 - 0 - 1
Yeas:	Barton, Cameron, Edwards C., Esquivel, Holvey, Matthews, Thatcher, Witt, Schaufler
Nays:	0
Exc.:	Kennemer
Prepared By:	Theresa Van Winkle, Administrator
Meeting Dates:	3/30, 4/20

WHAT THE MEASURE DOES: Modifies the motor vehicle inventory for which the dealer may be allowed fair and reasonable compensation upon termination, cancellation, nonrenewal, or discontinuance of the franchise. Increases amount of damage to new motor vehicle requiring disclosure to prospective purchaser.

ISSUES DISCUSSED:

- Nineteen dealerships that closed in Oregon in 2008
- Impact of dealership closures on the local and state economy
- Whether damages made to new vehicles in transit are disclosed to the buyer

EFFECT OF COMMITTEE AMENDMENT: Changes terminology for “new current model year motor vehicle inventory” to “new vehicles manufactured in the current calendar and any subsequent calendar year in the motor vehicle inventory.” Changes the mileage requirement from 4,000 to 3,500 miles for certain motor vehicles to be considered in the inventory.

BACKGROUND: ORS 650.145 outlines how “fair and reasonable compensation” is determined for a vehicle dealer when a relationship with a franchise is dissolved. Currently, part of the compensation includes “all new current model year motor vehicle inventory with a gross vehicle weight (GVW) rating of less than 8,500 pounds purchased from the manufacturer, distributor or importer that has not been materially altered, substantially damaged or driven for more than 300 miles.” HB 2739-A removes the GVW limitation.

The measure also increases the base amount of repaired damages from \$500 to \$1000 that is required to be included in a vehicle dealer’s written disclosure to a purchaser of the new motor vehicle prior to entering into a sales contract.