

**REVENUE: No revenue impact**

**FISCAL: Minimal fiscal impact, no statement issued**

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<b>Action:</b>	Without Recommendation as to Passage, but with Amendments, Be Printed Engrossed, and Be Referred to the Committee on Rules
<b>Vote:</b>	10 - 0 - 0
<b>Yeas:</b>	Barton, Fagan, Holvey, Kennemer, Matthews, Thatcher, Thompson, Weidner, Witt, Doherty
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Jan Nordlund, Administrator
<b>Meeting Dates:</b>	3/27, 4/17

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**WHAT THE MEASURE DOES:** Prohibits, with specified exceptions, manufacturer, distributor or importer from requiring dealer to construct or remodel dealer facility within seven years of last construction or remodel if existing facility complies with brand image standards or plans that existed when facility was last constructed or remodeled. Prohibits manufacturer, distributor, or importer from requiring dealer to purchase goods or services for construction or remodeling from designated vendor without option of obtaining them through different vendor approved in advance. Prohibits dealer from selecting vendor to obtain goods and services for construction or remodeling if manufacturer, distributor, or importer provides funds or financing for all or substantial portion of cost. Specifies how dealer is to be compensated for predelivery preparation and warranty service work. Prohibits manufacturer, distributor or importer from increasing price of vehicle or imposing surcharge to recover costs of paying dealer's claims for parts and labor under warranty service agreement.

**ISSUES DISCUSSED:**

- Dealer franchises largely governed by state statute
- Desire of interest groups to further work on language in amendment

**EFFECT OF COMMITTEE AMENDMENT:** Prohibits, with specified exceptions, manufacturer, distributor or importer from requiring dealer to construct or remodel dealer facility within seven years of last construction or remodel if existing facility complies with brand image standards or plans that existed when facility was last constructed or remodeled. Prohibits manufacturer, distributor, or importer from requiring dealer to purchase goods or services for construction or remodeling from designated vendor without option of obtaining them through different vendor approved in advance. Prohibits dealer from selecting vendor to obtain goods and services for construction or remodeling if manufacturer, distributor, or importer provides funds or financing for all or substantial portion of cost. Specifies how dealer is to be compensated for predelivery preparation and warranty service work.

**BACKGROUND:** Oregon law governs many aspects of the relationship between a motor vehicle dealer and the manufacturer, distributor, or importer who grants the franchise to the dealer. Statute also defines the prohibited acts of a motor vehicle franchisor. House Bill 3347-A adds to the list of prohibited acts in areas concerning construction or remodeling of dealer facilities and in purchasing goods and services through vendors. The measure also specifies how to determine the compensation to vehicle dealers for predelivery and warranty service work.