

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass the B-Engrossed Measure
Vote:	6 - 0 - 0
Yeas:	Edwards, Girod, Monroe, Starr, Thomsen, Beyer
Nays:	0
Exc.:	0
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	5/23

WHAT THE MEASURE DOES: Prohibits, with specified exceptions, manufacturer, distributor or importer of motor vehicles from requiring motor vehicle 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 remodel from designated vendor without the option of obtaining them through different vendor approved in advance. Prohibits dealer from selecting vendor of construction or alteration good and services if dealer provides vendor with money, credit or allowance as compensation. Specifies methodology for determining compensation for pre-delivery preparation and warranty service work. Prohibits manufacturer, distributor or importer from increasing price of vehicle or imposing surcharge to recover the costs of paying dealer's claims for parts and labor under warranty service agreement.

ISSUES DISCUSSED:

- Review of measure's provisions
- Access to goods and services from multiple vendors

EFFECT OF COMMITTEE AMENDMENT: No amendment.

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