

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 3347**

1 On page 1 of the printed A-engrossed bill, line 3, delete “650.130 and”.

2 Delete lines 5 through 19 and delete pages 2 through 5.

3 On page 6, delete lines 1 through 29 and insert:

4 **“SECTION 1. Section 2 of this 2013 Act is added to and made a part**
5 **of ORS 650.120 to 650.170.**

6 **“SECTION 2. (1)(a) Except as provided in paragraph (b) of this**
7 **subsection, a manufacturer, distributor or importer may not require**
8 **a dealer to construct a new dealer facility or materially alter or re-**
9 **model an existing dealer facility within seven years after the date on**
10 **which the dealer previously constructed, materially altered or remodel-**
11 **eled the existing dealer facility if the existing dealer facility complies**
12 **with the manufacturer’s, distributor’s or importer’s approved brand**
13 **image standards or plans that existed at the time the dealer con-**
14 **structed, materially altered or remodeled the existing dealer facility.**

15 **“(b) A manufacturer, distributor or importer may require a dealer**
16 **to construct a new dealer facility or materially alter or remodel an**
17 **existing dealer facility within seven years after the dealer constructed,**
18 **materially altered or remodeled the existing dealer facility:**

19 **“(A) If the manufacturer, distributor or importer demonstrates that**
20 **the manufacturer’s, distributor’s or importer’s requirement is rea-**
21 **sonable and justifiable in light of:**

22 **“(i) The projected cost of the construction, material alteration or**

1 **remodel;**

2 **“(ii) Existing and reasonably foreseeable economic conditions;**

3 **“(iii) Financial expectations;**

4 **“(iv) The availability of additional vehicle allocation; and**

5 **“(v) The dealer’s market for vehicle sales;**

6 **“(B) In order to comply with a health or safety law or with a tech-**
7 **nological requirement that is necessary to sell or service a motor ve-**
8 **hicle that the dealer sells or services under the terms of the dealer’s**
9 **franchise; or**

10 **“(C) By means of a written agreement separate from the franchise**
11 **agreement if the manufacturer, distributor or importer provides**
12 **money, credit, an allowance, an incentive or a reimbursement to the**
13 **dealer to compensate for all or a substantial portion of the cost of**
14 **constructing a new dealer facility or materially altering or remodeling**
15 **an existing dealer facility.**

16 **“(c) Paragraph (a) of this subsection does not prohibit a dealer from**
17 **voluntarily agreeing with a manufacturer, distributor or importer to**
18 **construct a new dealer facility or materially alter or remodel an ex-**
19 **isting dealer facility in return for separate and valuable consideration.**
20 **For the purposes of this paragraph, renewing a dealer’s franchise is**
21 **not separate and valuable consideration.**

22 **“(d) For purposes of this subsection:**

23 **“(A) ‘Materially alter’ means a significant architectural or struc-**
24 **tural modification to a dealer facility that is directly related to effec-**
25 **tively selling or servicing motor vehicles of the type that the dealer’s**
26 **franchise agreement or license permits the dealer to sell or service.**

27 **“(B) ‘Materially alter’ does not include routine maintenance, such**
28 **as interior painting, that is reasonably necessary to keep a dealer fa-**
29 **cility in attractive condition.**

30 **“(2)(a) Except as provided in paragraph (b) of this subsection, a**

1 **manufacturer, distributor or importer may not require a dealer to**
2 **purchase goods or services for constructing, materially altering or re-**
3 **modeling a dealer facility from a vendor that the manufacturer, dis-**
4 **tributor or importer selects, identifies or designates without giving the**
5 **dealer an option to obtain goods or services of substantially similar**
6 **quality and design from a vendor that the dealer chooses, subject to**
7 **the manufacturer’s, distributor’s or importer’s approval in advance.**
8 **The manufacturer, distributor or importer may not withhold approval**
9 **unreasonably.**

10 **“(b) A dealer may not select a vendor from which to obtain goods**
11 **and services for constructing a new dealer facility or materially al-**
12 **tering or remodeling an existing dealer facility if a manufacturer,**
13 **distributor or importer provides money, credit, an allowance or a re-**
14 **imbursement to compensate for all or a substantial portion of the cost**
15 **of upgrading or improving a dealer facility or for using a specific ma-**
16 **terial, good or service to upgrade or improve a dealer facility.**

17 **“(c) This subsection does not permit a dealer or vendor to:**

18 **“(A) Directly or indirectly or in any way infringe upon, eliminate**
19 **or impair a manufacturer’s, distributor’s or importer’s intellectual**
20 **property rights or reasonable business requirements; or**

21 **“(B) Erect or maintain signs that do not conform to the**
22 **manufacturer’s, distributor’s or importer’s intellectual property usage**
23 **guidelines.”.**

24 In line 30, delete “2” and insert “3”.

25 On page 7, line 11, after “less” delete the rest of the line and line 12 and
26 insert “, for repairs made not more than 180 days before the dealer’s sub-
27 mission.”.

28 In line 13, delete “posal under this subparagraph.”.

29 Delete lines 26 and 27 and insert:

30 **“(i) Repairs for a manufacturer’s, distributor’s or importer’s specials,**

1 special events or promotional discounts for retail customer repairs;”.

2 In line 37, after “parts” delete the rest of the line and line 38 and insert
3 “. For purposes of this paragraph, a manufacturer, distributor or importer
4 approves the dealer’s proposal if the manufacturer, distributor or importer
5 does not contest the proposed hourly rate or amount for parts within 30 days
6 after the dealer submits the proposal.”.

7 On page 8, delete lines 25 through 33 and insert:

8 **“SECTION 4. Section 2 of this 2013 Act and the amendments to ORS
9 650.158 by section 3 of this 2013 Act apply to:”.**

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