

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session
STAFF MEASURE SUMMARY
Senate Committee On Business and Transportation

MEASURE: SB 714 A
CARRIER: Sen. Riley

Fiscal: No Fiscal Impact

Revenue: No Revenue Impact

Action Date: 04/13/15

Action: Do Pass With Amendments. (Printed A-Eng.)

Meeting Dates: 04/13

Vote:

Yeas: 5 - Beyer, Girod, Monroe, Riley, Thomsen

Prepared By: James LaBar, Committee Administrator

WHAT THE MEASURE DOES:

Clarifies provisions regulating motor vehicle manufacturer, distributor or importer from taking certain adverse actions against motor vehicle dealer because dealer sold motor vehicle to customer that exported motor vehicle to another country or resold motor vehicle for export to another country. Specifies exceptions, including the dealer knowing or reasonably knowing that the customer intended to export to a dealer that registers or causes a motor vehicle to be registered in this state or another state and that collects or causes to be collected any sales or use tax required in this state establishes a rebuttable presumption that the dealer did not have reason to know that the customer intended to export or resell the motor vehicle.

ISSUES DISCUSSED:

- Consensus between vehicle dealers and manufacturers reached with amendment language
- Avoids unintended consequences related to the relationship between dealers and manufacturers
- Differential pricing for identical vehicles in different markets

EFFECT OF COMMITTEE AMENDMENT:

Clarifies the franchise law regarding chargebacks on vehicle sales where the vehicle was later exported when the dealer does not know a vehicle was purchased for export. Changes the limit of the dealer knowing or reasonably knowing of intent to export to "A dealer that registers or causes a motor vehicle to be registered in this state or another state and that collects or causes to be collected any sales or use tax required in this state establishes a rebuttable presumption that the dealer did not have reason to know that the customer intended to export or resell the motor vehicle."

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, including selling vehicles to a customer that exports vehicles to another country.

There are numerous instances where vehicles sold in the U.S. are priced lower than the same vehicle in another country, which leads exporters to buy vehicles domestically and resell internationally.