

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session
STAFF MEASURE SUMMARY
House Committee On Transportation and Economic Development

MEASURE: SB 714 A
CARRIER: Rep. Davis

Fiscal: No Fiscal Impact
Revenue: No Revenue Impact

Action Date: 05/18/15

Action: Do Pass.

Meeting Dates: 05/13, 05/18

Vote:

Yeas: 6 - Davis, Gorsek, Hack, Lively, McKeown, McLain

Exc: 1 - Bentz

Prepared By: Patrick Brennan, Committee Administrator

WHAT THE MEASURE DOES:

Prohibits motor vehicle manufacturers, distributors and importers from taking any adverse action against a motor vehicle dealer because the dealer sold a motor vehicle to a customer that subsequently exported the vehicle or resold it for export. Provides exceptions.

ISSUES DISCUSSED:

- Restrictions on dealers exporting cars
- Allows “claw-back” of certain purchase incentives
- Consensus between automobile dealers and manufacturers

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, 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.

Senate Bill 714-A specifies that vehicle manufacturers, distributors and importers may take no adverse actions against a dealer for selling vehicles to customers that later export them, or for reselling vehicles for export. The measure outlines exceptions to the prohibition, including written notice to the dealer of the prohibition and evidence that the dealer knew, or reasonably could have been expected to know, that the customer intended to export the vehicle.