

Requested by SENATE COMMITTEE ON BUSINESS AND TRANSPORTATION

**PROPOSED AMENDMENTS TO
SENATE BILL 980**

1 On page 1 of the printed bill, line 2, after “vehicles” insert a period and
2 delete the rest of the line and line 3.

3 Delete lines 5 through 24 and delete pages 2 through 4 and insert:

4 **“SECTION 1. Section 2 of this 2017 Act is added to and made a part**
5 **of ORS 650.120 to 650.170.**

6 **“SECTION 2. (1) As used in this section:**

7 **“(a) ‘Do not drive order’ means a notice in which a manufacturer**
8 **advises owners of a vehicle not to drive the vehicle until the owner**
9 **has obtained a repair for a safety defect in the vehicle.**

10 **“(b) ‘Stop sale order’ means a notice in which a manufacturer pro-**
11 **hibits a franchisee from leasing or selling at wholesale or retail a used**
12 **vehicle in the franchisee’s inventory because of a federal recall for a**
13 **safety defect or a failure to comply with a federal safety standard or**
14 **a federal emissions standard.**

15 **“(c) ‘Valuation’ means the average trade-in value shown in an in-**
16 **dependent third-party guide for the year, make and model of a used**
17 **vehicle.**

18 **“(2) A manufacturer shall compensate the manufacturer’s**
19 **franchisees for all labor and parts the manufacturer requires the**
20 **franchisees to use to perform repairs on vehicles that are subject to**
21 **a recall. The manufacturer shall compensate franchisees in accordance**

1 with the standards and process for compensation set forth in ORS
2 650.158.

3 “(3)(a) Subject to the conditions set forth in paragraphs (b) and (c)
4 of this subsection, a manufacturer shall compensate a dealer at a
5 prorated rate of least 1.5 percent of the valuation of a used vehicle
6 that is subject to a recall during each month in which the dealer holds
7 the vehicle for sale while awaiting parts or a remedy that is necessary
8 to repair or service the vehicle.

9 “(b) The manufacturer shall pay the compensation described in
10 paragraph (a) of this subsection:

11 “(A) If the used vehicle is subject to a federal recall for a safety
12 defect or a failure to comply with a federal safety standard or a federal
13 emissions standard;

14 “(B) If the manufacturer issued a do not drive order or stop sale
15 order for the used vehicle;

16 “(C) If the manufacturer has authorized the dealer to sell and ser-
17 vice new vehicles of the same line-make as the used vehicle that is
18 subject to the recall;

19 “(D) If the dealer had the used vehicle in the dealer’s inventory at
20 the time the manufacturer issued the do not drive order or stop sale
21 order or if the dealer received the used vehicle as a trade-in as part
22 of a consumer’s purchase of a new vehicle after the manufacturer is-
23 sued the do not drive order or stop sale order;

24 “(E) If a part or remedy necessary to repair or service the used
25 vehicle is not reasonably available within 30 days after the manufac-
26 turer issued an initial recall notice; and

27 “(F) For a period that begins 30 days after the date on which the
28 manufacturer issued the do not drive order or stop sale order and that
29 ends on the earlier of the following dates:

30 “(i) The date on which the manufacturer makes available to the

1 dealer a part or remedy that is necessary to repair the used vehicle
2 that is subject to the recall; or

3 “(ii) The date on which the dealer sells, trades or otherwise disposes
4 of the used vehicle that is subject to the recall.

5 “(c) A manufacturer may direct the manner and method by which
6 a dealer must demonstrate that the dealer had a used vehicle that was
7 subject to a recall in the dealer’s inventory as required under para-
8 graph (b)(D) of this subsection. The manufacturer may not require a
9 demonstration that is unreasonable or unduly burdensome or require
10 information that is unreasonably or unduly burdensome for the dealer
11 to provide.

12 “(d) This subsection does not require a manufacturer to provide
13 total compensation to a dealer that exceeds the valuation of a used
14 vehicle that is subject to a recall.

15 “(4) A claim for compensation that a franchisee makes under sub-
16 section (2) of this section or that a dealer makes under subsection (3)
17 of this section is subject to the same requirements and limitations to
18 which a claim for compensation under ORS 650.158 is subject unless:

19 “(a) The manufacturer compensates the franchisee or the dealer
20 under a national program that provides compensation for recall ser-
21 vice or repairs that is equal to or greater than the compensation the
22 manufacturer would provide under subsection (3) of this section; or

23 “(b) The manufacturer and franchisee or dealer agree to different
24 compensation.

25 “(5)(a) A manufacturer may not reduce compensation that the
26 manufacturer owes to a franchisee by means of a chargeback, reduc-
27 ing the amount the manufacturer owes a franchisee under or remov-
28 ing a franchisee from an incentive program or any other means solely
29 because the franchisee submitted a claim for or received compensation
30 under this section.

1 **“(b) This subsection does not prohibit a manufacturer from modi-**
2 **fyng or discontinuing an incentive program or other program**
3 **prospectively or from making ordinary business decisions.**

4 **“(c) A franchisee may contest the amount of compensation a man-**
5 **ufacturer provides under this section in accordance with the proce-**
6 **dures set forth in ORS 650.158.**

7 **“(6) A remedy that a dealer obtains under this section is exclusive**
8 **and may not be combined with other compensation or remedies that**
9 **are available under state or federal law or state or federal compen-**
10 **sation programs.”.**

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