

Department of Planning and Budget

2016 Fiscal Impact Statement

1. Bill Number: SB709

House of Origin	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: McDougle

3. Committee: Transportation

4. Title: Recalled motor vehicles

5. Summary: This bill has two distinct aspects: 1) Requires new and used car/truck/motor home dealers to disclose whether a used car/truck/motor home sold at retail has been recalled and, if the used car/truck/motor home is subject to a recall that remains unremedied at the time of sale, inform the buyer of the process for remediating the recall; and 2) The bill requires a manufacturer or distributor who establishes a program that prohibits dealers from selling used cars/trucks that have been issued a safety recall and remain unremedied to provide a remedy for each such vehicle or to compensate the dealer for costs when such program is enforced through penalty or loss of benefits. The bill requires a manufacturer or distributor to compensate dealers for recall repairs on the same basis as warranty repairs. The bill prohibits a manufacturer or distributor from using performance measurements to the detriment of a dealer when the dealer has vehicles it cannot deliver by law or by manufacturer or distributor program or directive.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See Item #8.

8. Fiscal Implications: This bill would not have a significant impact on Motor Vehicle Dealer Board operations.

Since the bill expands the grounds on which a motor vehicle dealer may be able to request a hearing to allege that a manufacturer has violated Virginia's franchise laws, the overall number of franchise hearings conducted by the Department of Motor Vehicles may increase, thereby resulting in an expenditure impact. However, the number of hearings that may be requested as a direct result of this bill cannot be estimated, so that expenditure impact cannot be determined at this time.

9. Specific Agency or Political Subdivisions Affected: Motor Vehicle Dealer Board, Department of Motor Vehicles.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is a companion to HB 1232.

Date: 2/4/16

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c: Secretary of Transportation