

Department of Planning and Budget 2019 Fiscal Impact Statement

1. Bill Number: SB1464

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: McPike

3. Committee: Transportation

4. Title: Manufacturer or distributor right of first refusal

5. Summary: This bill provides that a manufacturer or distributor shall not exercise or enforce a right of first refusal in the event of a proposed sale or transfer of a dealership or change in management of a dealership if (i) the proposed sale or transfer is to a dealer licensed in the United States as a dealer holding a franchise from any manufacturer or distributor licensed as a manufacturer or distributor in the Commonwealth unless the manufacturer or distributor has a formal written program to increase the number of minority dealers and a minority dealer will obtain at least 51 percent ownership and control of the dealership's assets upon the exercise of the right of first refusal or (ii) the proposed sale or transfer of the dealership's assets involves the transfer or sale to a member or members of the family of one or more dealer owners, or to a qualified manager or a partnership, limited liability company, corporation, or other entity controlled by such persons.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: No state fiscal impact is anticipated from this legislation.

9. Specific Agency or Political Subdivisions Affected: Motor Vehicle Dealer Board.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/25/2019

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Cc: Secretary of Transportation