

Department of Planning and Budget 2023 Fiscal Impact Statement

1. Bill Number: SB871

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Surovell

3. Committee: Passed Both Houses

4. Title: Motor vehicle dealers; franchise agreements, sale or lease of new motor vehicles

5. Summary: This bill provides that the threat to withhold incentive payments or the right to participate in incentive programs is included in the existing prohibition on any vehicle manufacturer, factory branch, distributor, or distributor branch coercing or attempting to coerce a dealer into entering into an agreement. The bill prohibits vehicle manufacturers, factory branches, distributors, or distributor branches from taking certain listed actions related to direct contact with buyers or lessees or coercing or requiring a dealer to allow such actions in the franchise agreement. The bill prohibits and makes void any provisions of a franchise agreement or similar agreement authorizing a manufacturer, factory branch, distributor, or distributor branch to unilaterally amend the franchise agreement or similar agreement. The bill provides that the existing prohibition on a manufacturer, factory branch, distributor, or distributor owning, operating, or controlling a motor vehicle dealership includes any dealership of a new line-make established by a manufacturer, factory branch, distributor, distributor branch, or subsidiary thereof or a company affiliated through ownership of the manufacturer, factory branch, distributor, or distributor branch of at least 25 percent of the equity of the company. The bill provides that the existing requirement that manufacturers, factory branches, distributors, or distributor branches provide the cost of initiation, update, change, or maintenance of each accessory or function of the vehicle that may be initiated, updated, changed, or maintained by the manufacturer or distributor through over-the-air or remote means shall be the cost at the time of the new motor vehicle sale.

6. Budget Amendment Necessary: No.

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

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

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

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is a companion to HB 1469.