



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 732

PRINTERS NO. 1489

PRIME SPONSOR: Tomlinson

COST / (SAVINGS)

FUND	FY 2013/14	FY 2014/15
Professional Licensure Augmentation Account	\$0	\$0

SUMMARY: Amends the Board of Vehicles Act to provide vehicle dealers with additional protections from certain practices by vehicle manufacturers. This legislation would take effect in 60 days.

ANALYSIS: This legislation amends the Board of Vehicles Act (Act 84 of 1983) to do the following:

- Specifies that each new vehicle manufacturer or distributor shall specify in writing to each of its new vehicle dealers licensed in this Commonwealth the dealer's obligations for predelivery preparation and warranty service on its products and shall compensate the new vehicle dealer for service required of the dealer by the manufacturer or distributor and shall provide the dealer with a schedule of compensation to be paid the dealer for parts, work and service, and the time allowance for the performance of such work and service. Compensation for parts, including major assemblies used in warranty service shall be at the dealer's retail rate.
- A manufacturer may not recover its reimbursement costs from a dealer that does not apply to the manufacturer for retail rate reimbursement for parts and labor.
- A dealer may elect to revert to the nonretail rate reimbursement for parts and labor once in a calendar year to avoid a manufacturer surcharge.
- The "look-back" period during which manufacturers are permitted to audit warranty service reimbursement claims is reduced from 24 months to 9 months from the date the claim was paid, but there is no limit on the number of audits manufacturers may conduct.
- Prohibits manufacturers from requiring dealers to use selected vendors for construction or modification of a facility. Dealers must have the option to obtain a good or service of substantially similar quality from a vendor of their choice.

FISCAL IMPACT: The Department of State indicates that the legislation could have a minimal fiscal impact to the Augmentation Account as the legislation adds two new protest provisions. It is anticipated that these costs could be absorbed within available funding sources.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: October 21, 2013

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.