



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1898

PRINTERS NO. 3784

PRIME SPONSOR: Santora

COST / (SAVINGS)

FUND	FY 2017/18	FY 2018/19
Professional Licensure Augmentation Account	See "Fiscal Impact"	See "Fiscal Impact"

SUMMARY: Amends the Board of Vehicles Act to address issues regarding used vehicles with unrepaired recalls, prohibit manufacturers from requiring dealers to significantly modify facilities within 10 years of a prior modification and establish a temporary permit for new vehicle dealers. 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:

- Requires all new and used vehicle dealers permitted in PA to disclose in writing to used vehicle purchasers the existence of any open, unrepaired recalls.
- Requires manufacturers to compensate new vehicle dealers for recall repairs in the same manner currently established for warranty service. If a Stop-Sale or Do-Not-Drive order has been issued on a used vehicle held for sale by a franchisee dealer of the manufacturer and recall repair parts are not available within 30 days of the order, the manufacturer shall compensate the dealer at a rate of 1.5% of the value of the vehicle per month while the recall parts are unavailable.
- Prohibits manufacturers from requiring their franchisee dealers to significantly modify their dealership facilities (defined as an alteration that has a major impact on the features of a structure or lot) unless 10 years have elapsed since the construction or last major renovation of the facility. This prohibition shall not apply if the modification is necessary to comply with a health or safety law, or a technology requirement that is necessary to sell or service a vehicle.
- Establishes a 45-day temporary permit for new vehicle dealers. When an application is submitted, if the new vehicle dealer doesn't yet have the franchise approval letter, the telephone business line information, the certificate of occupancy or the lease or deed for the property available (elements that are necessary for the full permit), the Board shall issue a temporary permit that allows the dealer to operate for up to 45 days.
- Allows dealers to include costs associated with complying with federal and state laws relating to safeguarding customer information in the document preparation fee dealers are permitted to charge purchasers.

FISCAL IMPACT: The Department of State could potentially incur some additional costs to process new vehicle dealer applications and for investigations of those new dealers. Any additional costs would be offset by the revenue from fees on temporary permit applicants.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: June 22, 2018

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