

**SENATE APPROPRIATIONS COMMITTEE  
FISCAL NOTE**

**BILL NO.** House Bill 1898

**PRINTER NO.** 3673

**AMOUNT**

See Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

November 8, 2017

**PRIME SPONSOR**

Representative Santora

**DESCRIPTION**

House Bill 1898 amends the Board of Vehicles Act (act) regarding used vehicles with unrepaired recalls, prohibits manufacturers from requiring dealers to significantly modify their facilities within 10 years of a major modification, and establishes a temporary permit for new vehicle dealers.

This bill provides that, for used vehicles subject to a safety or emission recall, a manufacturer must provide a dealer who sells used vehicles in the make in which they are franchised, the cost of labor and parts for recall repairs. If not made available after 30 days a manufacturer shall compensate a dealer 1.5% of the value of the vehicle per month. Used vehicle value shall be the average trade-in value at the time of the recall. A manufacturer shall not be required to provide compensation greater than the value of the vehicle.

Manufacturers are prohibited from requiring new vehicle dealers to expand or significantly modify their facility less than 10 years from either the date of construction of the facility or when significant remodeling was last completed.

The legislation amends Section 22 of the act relating to application for license such that the State Board of Vehicle Manufacturers, Dealers and Salespersons shall, upon receipt of a complete application, issue a new vehicle dealer license immediately. If the dealer's application is incomplete, the board shall issue a temporary permit, which allows a dealer to operate for up to 45 days.

**FISCAL IMPACT:**

There is no fiscal impact on Commonwealth funds.

Any additional costs incurred by the Department of State for processing and enforcing the temporary permit provisions would be offset by fee revenue from the temporary permit applicant. Statute requires the Bureau of Professional and Occupational Affairs to set and maintain fees at a level to meet the minimum enforcement efforts required.