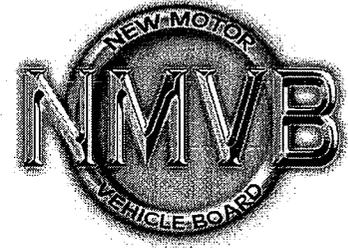


STATE OF CALIFORNIA



MEMO

To: POLICY AND PROCEDURE COMMITTEE
BISMARCK OBANDO, CHAIR
KATHRYN ELLEN DOI, MEMBER

Date: March 9, 2015

From : WILLIAM G. BRENNAN *WGB*
DANIELLE R. VARE *DV*

Subject: DISCUSSION CONCERNING PENDING LEGISLATION

The following provides a summary of pending State and Federal legislation that is of interest to the New Motor Vehicle Board ("Board"). The criteria for reporting on "legislation of general interest" is that the bill impacts the Vehicle Code, the Board, and/or the automotive industry in general and does not directly impact the Board or its enabling statute. For purposes of this report "legislation of special interest" is that which directly affects the Board's laws or functions.

Bill summaries include a brief overview of the bill as provided by the Legislative Counsel's Digest or the Congressional Research Service, if available, as well as the current status of the bill.¹

a. Pending Legislation of Special Interest.

1) **Assembly Bill 759 - Assembly Member Linder** (Introduced February 25, 2015)

Status: This bill is still in the Assembly.

Support: Recreational Vehicle Industry Association

Opposition: None on file

Legislative Counsel's Digest: Recreational Vehicles

Existing law establishes a New Motor Vehicle Board that regulates the activities or practices of a new motor vehicle dealer, manufacturer, manufacturer branch, distributor, distributor branch, or representative, as specified. Existing law regulates the terms and enforcement of recreational vehicle franchise agreements. Existing law requires a franchisor seeking to enter into a franchise establishing an additional motor vehicle dealership within a relevant market area where the same recreational vehicle line-make is represented, or seeking to relocate an existing motor vehicle dealership, to notify the board of that intention. Existing law allows franchisees in that recreational vehicle line-make in the relevant market area to file with the board a protest to establishing or relocating the dealership.

¹All statutory references are to the Vehicle Code, unless otherwise indicated.

This bill would revise these provisions and would clarify that the above provisions apply to a franchisor seeking to enter into a franchise establishing an additional recreational vehicle dealership, or seeking to relocate an existing recreational vehicle dealership, that has a relevant market area within which the same recreation vehicle line-make is represented.

Existing law generally requires a manufacturer, manufacturer branch, remanufacturer, remanufacturer branch, distributor, distributor branch, transporter, or dealer of vehicles to be licensed by the Department of Motor Vehicles. Existing law allows the department to suspend or revoke a license issued to a dealer upon determining that the person to whom the license was issued has willfully violated specified requirements imposed on new motor vehicle franchisees relating to providing specified information and compensation.

This bill would make the above provisions applicable to a recreational vehicle franchisor.

Existing law makes it a violation, punishable as an infraction, for the holder of a dealer's license to, among other things, advertise or sell a new vehicle of a line-make for which the dealer does not hold a franchise. Under existing law, this prohibition does not apply to a recreational vehicle, as defined.

This bill would make the above prohibitions applicable to recreational vehicles. By increasing the scope of a crime, this bill would impose a state-mandated local program.

Existing law makes it a violation, punishable as an infraction, for a licensed manufacturer or distributor to modify, replace, enter into, relocate, terminate, or refuse to renew a franchise in violation of specified provisions of law.

This bill would make this prohibition subject to additional provisions of law relating to recreational vehicle manufacturers and distributors. By expanding the scope of a crime, this bill would impose a state-mandated local program.

Existing law prohibits a recreational vehicle manufacturer or distributor from selling a new recreational vehicle through a recreational vehicle dealer without having first entered into a written recreational vehicle franchise.

This bill would, following the termination, cancellation, or non-renewal of a recreational vehicle franchise, allow the sale of any new recreational vehicle inventory that was purchased by the recreational vehicle dealer, or shipped by a manufacturer or distributor, during the period that the written recreational vehicle franchise was in effect.

2) Assembly Bill 287 - Assembly Members Gordon, Eggman and Mark Stone (Principal Coauthor Assembly Member Wilk) (Introduced February 11, 2015)

Status: This bill is pending referral.

Support: None on file

Opposition: None on file
Legislative Counsel's Digest: Vehicles: safety recalls

Existing law generally regulates the transfer and registration of motor vehicles. Existing federal law requires a motor vehicle manufacturer to notify the owner or purchaser of a motor vehicle when the manufacturer determines that the vehicle contains a safety-related defect or when the manufacturer is ordered by the federal Secretary of Transportation to notify vehicle owners and purchasers that a vehicle has a safety-related defect.

This bill would state the intent of the Legislature to enact the Consumer Automotive Recall Safety Act to provide comprehensive consumer protections that address the low recall repair completion rate and consumer confusion regarding automotive recalls in California.

b. Pending Legislation of General Interest.

None.

Bill summaries include a brief overview of the bill as provided by the Congressional Research Service, if available, as well as the current status of the bill.

c. Pending Federal Legislation of General Interest:

1) **United States House of Representatives Bill 679 – U.S. Representative Blumenauer** (Introduced February 3, 2015)

Status: This bill has been referred to subcommittees.

Support: None on file

Opposition: None on file

Congressional Summary: Vehicles: safety recalls

This bill directs the Secretary of the Treasury to establish the Road Usage Charge Pilot Program to make competitive grants to state or local governments, or metropolitan planning, regional transportation planning, or tribal organizations to conduct pilot studies on implementing mileage-based fee systems as a method for funding transportation highway projects. The bill directs the Secretary to establish a working group to:

- develop national technology standards for a road usage charge, as well as national privacy standards for such a charge that balance the effectiveness of revenue systems with user privacy; and
- evaluate the potential of the methods studied in the program to manage demand and reduce the emission of greenhouse gases.

2) **United States Senate Bill 617 – U.S. Senator Markey** (Introduced March 2, 2015)

Status: Introduced

Support:
Opposition:
Congressional Summary:

No official summary has been provided as of March 9, 2015. The general description is a bill to ensure that owners of all motor vehicles in use on United States roadways are made aware of, and obtain repairs for, manufacturer-issued safety recalls in a timely manner.

This matter is for information only at the March 25, 2015, General Meeting. If you have any questions or require additional information, please contact me at (916) 324-6197 or Danielle at (916) 327-3129.

cc: Glenn Stevens