

A-Engrossed
House Bill 2372

Ordered by the House March 28
Including House Amendments dated March 28

Sponsored by COMMITTEE ON BUSINESS, LABOR AND CONSUMER AFFAIRS (at the request of Recreational Vehicle Coalition)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Modifies recreational vehicle franchise law to require manufacturer or distributor of recreational vehicles to repurchase inventory from dealer if manufacturer or distributor terminates, cancels or fails to renew dealership agreement.

A BILL FOR AN ACT

1
2 Relating to recreational vehicles; creating new provisions; and amending ORS 650.350.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 650.350 is amended to read:

5 650.350. (1) Upon the termination or cancellation of or failure to renew a dealership agreement
6 **by the grantor**, the grantor shall, at the dealer's request and within 30 days of the termination,
7 cancellation or failure to renew, purchase from the dealer:

8 (a) All new recreational vehicles [*of the current model year*] that the dealer purchased from the
9 grantor **within 12 months prior to the effective date of the termination, cancellation or failure**
10 **to renew** and for which a consumer has not obtained a title as defined in ORS 801.526;

11 [*(b) All new recreational vehicles of prior model years that the dealer drafted on the dealer's fi-*
12 *nancing source or paid for within 120 days prior to the effective date of the termination, cancellation*
13 *or failure to renew and for which a consumer has not obtained a title as defined in ORS 801.526;*]

14 [(c)] (b) If accompanied by the original invoice, all current and undamaged proprietary parts and
15 accessories that the dealer purchased from the grantor within 120 days prior to the effective date
16 of the termination, cancellation or failure to renew; and

17 [(d)] (c) All functioning equipment, machines and tools and all current signs that the dealer
18 purchased from the grantor at the grantor's request in the five years before termination, cancella-
19 tion or failure to renew and that cannot continue to be used in the normal course of the dealer's
20 business.

21 (2) Subsection (1)(a) [*and (b)*] of this section does not apply to a recreational vehicle that:

22 (a) The dealer has sold or leased to a consumer or that has been used for more than demon-
23 stration or materially altered; or

24 (b) Has been damaged to the extent requiring disclosure to a consumer under ORS 650.420.

25 (3) For the purposes of subsection (1)(a) [*and (b)*] of this section:

26 (a) If a new recreational vehicle has not been damaged, the sum due for the recreational vehicle
27 is the net invoice cost.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 (b) If a new recreational vehicle has been damaged but less than to the extent requiring dis-
2 closure to a consumer under ORS 650.420, the sum due for the recreational vehicle is the net invoice
3 cost less the cost to repair the vehicle.

4 (4) The sum due for a proprietary part or accessory under subsection [(1)(c)] (1)(b) of this sec-
5 tion is 105 percent of the net invoice cost plus the cost to the dealer to transport the part or ac-
6 cessory to the grantor.

7 (5) The sum due for equipment, machines, tools and signs under subsection [(1)(d)] (1)(c) of this
8 section is the net invoice cost of the equipment, machines, tools and signs.

9 (6) A grantor shall pay a dealer the sum due in full within 30 days of receiving a product from
10 a dealer under this section.

11 **SECTION 2. The amendments to ORS 650.350 by section 1 of this 2005 Act apply to deal-**
12 **ership agreements entered into on or after the effective date of this 2005 Act.**

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