

SHB 2547 - H AMD

By Representative Conway

ADOPTED 02/13/2010

1 On page 2, line 12, after "offered," strike "is" and insert "such
2 that continuing to retail the line is no longer economically viable for
3 a dealer is, at the option of the dealer,"

4 On page 3, line 9, after "RCW 46.96.070(2)" insert "or a voluntary
5 termination, cancellation, or nonrenewal initiated by the dealer"

6 On page 4, beginning on line 11, after "means the" strike all
7 material through "calculations" on line 27 and insert "manufacturer's
8 suggested retail price for the part or the dealer's cost for the part
9 plus a forty percent markup, whichever is greater"

10 On page 12, line 27, after "facility" insert "that is within the
11 relevant market area, as defined in RCW 46.96.140, of the make or line
12 to be relocated"

13 On page 13, beginning on line 34, after "condition" strike all
14 material through "site control" on line 35 and insert "manufacturer,
15 distributor, factory branch, or factory representative sales, services,
16 or parts incentives upon the manufacturer obtaining site control,
17 including rights to purchase or lease the dealer's facility,"

EFFECT: (1) Establishes that, at the option of a dealer, a material reduction in the selection of a vehicle offered by a manufacturer, such that continuing to retail the line is no longer economically viable for a dealer, is considered a termination of a franchise for purposes of a manufacturer giving notice.

(2) Establishes that a manufacturer is not required to reimburse a dealer for certain costs if a dealer voluntarily terminates a franchise.

(3) Removes provisions related to the rates charged by a dealer for nonwarranty service for parts. Defines the rates charged by a dealer for nonwarranty service for parts as the manufacturer's suggested retail price or the dealer's cost for the part plus a markup of 40 percent, whichever is greater.

(4) Prohibits manufacturers from terminating a franchise because a dealer relocates a manufacturer's line to an existing dealership only if the dealership is within the relevant market area of the line to be relocated.

(5) Modifies the prohibited practice related to site control so that a manufacturer may not condition a franchise agreement or condition sales, services, or parts incentives upon the manufacturer obtaining site control, including rights to purchase or lease the dealer's facility.

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