

HOUSE AMENDMENTS TO HOUSE BILL 2127

By COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

April 4

On page 1 of the printed bill, delete lines 5 through 29 and delete pages 2 through 17 and insert:

SECTION 1. ORS 650.120 is amended to read:

“650.120. For the purposes of ORS 650.120 to 650.170:

“(1) ‘Dealer’ means any person *[who]* **that** has been issued a vehicle dealer certificate under ORS 822.020 and pursuant to a franchise from a manufacturer, distributor or importer engages in buying, selling, leasing or exchanging new motor vehicles.

“(2) ‘Dealership’ means the location from which a dealer buys, sells, leases, trades, stores, takes on consignment or in any other manner deals in new motor vehicles.

“(3) ‘Distributor’ means:

“(a) A person *[who]* **that** sells or distributes motor vehicles other than motor homes to motor vehicle dealers[.]; and

“(b) **A subsidiary, affiliate, branch or division of a person described in paragraph (a) of this subsection.**

“(4) ‘Fleet owner’ means a person in this state *[who]* **that** at one time buys or leases for use in a business:

“(a) 15 or more motor vehicles with a gross vehicle weight rating of less than 8,500 pounds; or

“(b) 50 or more vehicles with a gross vehicle weight rating of 8,500 pounds or more.

“(5) ‘Franchise’ means a contract or agreement under which:

“(a) The franchisee is granted the right to sell, lease and exchange new motor vehicles manufactured, distributed or imported by the franchisor;

“(b) The franchisee’s business is an independent business operating as a component of a distribution or marketing system prescribed in substantial part by the franchisor;

“(c) The franchisee’s business is substantially associated with the trademark, trade name, commercial symbol or advertisements designating the franchisor or the products distributed by the franchisor;

“(d) The franchisee’s business is substantially reliant on the franchisor for a continued supply of motor vehicles, parts and accessories;

“(e) The franchisee is granted the right to perform warranty repairs authorized by the franchisor; and

“(f) The franchisee is granted the right to sell, install and exchange parts, equipment and accessories manufactured, distributed or imported by the franchisor for use in or on motor vehicles.

“(6) ‘Franchisee’ means a dealer *[to whom a franchise]* **that** is granted **a franchise**.

“(7) ‘Franchisor’ means a manufacturer, distributor or importer *[who]* **that** grants a franchise to a dealer.

“(8) ‘Importer’ means a person *[who]* **that** transports or arranges for the transportation of any

1 foreign manufactured new motor vehicle into the United States for sale in this state.

2 “(9) ‘Manufacturer’ means:

3 “(a) A person *[who]* **that**:

4 “(A) Manufactures or assembles motor vehicles *[or who manufactures or installs on previously*
5 *assembled truck chassis special bodies or equipment, other than motor homes, that when installed forms*
6 *an integral part of the motor vehicle and constitutes a major manufacturing alteration and which*
7 *completed unit is owned by the manufacturer.]; or*

8 “(B) **Manufactures or installs a special body or equipment on a previously assembled**
9 **truck chassis, the combination of which is a major manufacturing alteration of the previ-**
10 **ously assembled truck chassis and forms an integrated motor vehicle, other than a motor**
11 **home, that the person owns; and**

12 “(b) **A subsidiary, affiliate, branch or division of a person described in paragraph (a) of**
13 **this subsection.**

14 “(10) ‘Manufacturer’s suggested retail price’ means the retail price of the new motor vehicle
15 suggested by the manufacturer, including the retail delivered price suggested by the manufacturer
16 for each accessory or item of optional equipment physically attached to the new motor vehicle at
17 the time of delivery to the dealer that is not included within the retail price suggested by the
18 manufacturer for the new motor vehicle without the accessory or optional equipment.

19 “(11) ‘Motor home’ means a motor vehicle that is designed to provide temporary living
20 quarters, *[and]* **that** is built into an integral part of, or is permanently attached to, a self-propelled
21 motor vehicle chassis or van. *The vehicle must contain]* **and that has** permanently installed inde-
22 pendent life support systems *[and]* **that** provide at least four of the following facilities:

23 “(a) Cooking;

24 “(b) Refrigeration or **an** ice box;

25 “(c) **A** self-contained toilet;

26 “(d) Heating or air conditioning;

27 “(e) A potable water supply system including a faucet and sink; or

28 “(f) A separate 110-120 volt electrical power supply or liquefied petroleum gas supply.

29 “(12) ‘Motor vehicle’ means:

30 “(a) A self-propelled device, other than a motor home, used:

31 “(A) For transportation of persons or property upon a public highway; or

32 “(B) In construction; or

33 “(b) A trailer with a gross vehicle weight rating of 20,000 pounds or more that is used for
34 commercial transportation on a public highway.

35 “(13) ‘Predecessor in interest’ means a manufacturer, distributor or importer that transferred to
36 another manufacturer, distributor or importer, whether through sale or other means, the right to
37 manufacture, distribute or import motor vehicles using the manufacturer’s, distributor’s or
38 importer’s trademark, service mark, trade name, logotype or other commercial symbol.

39 “(14) ‘Qualified vendor’ means a person with a contract or agreement to sell goods or services
40 to a manufacturer, distributor or importer.

41 “(15) ‘Relevant market area’ means:

42 “(a) For a dealer primarily of motor vehicles with a gross vehicle weight rating of less than
43 8,500 pounds, a circular area around an existing dealership of:

44 “(A) Not less than a 10-mile radius from the dealership site;

45 “(B) Not less than a 15-mile radius from the dealership site if the population is less than 250,000

1 within a 10-mile radius from the existing dealership and 150,000 or more within a 15-mile radius from
2 the existing dealership;

3 “(C) Not less than a 20-mile radius from the dealership site if the population is less than 150,000
4 within a 15-mile radius from the existing dealership; or

5 “(D) The area of sales and service responsibility determined under the franchise agreement if
6 the area is larger than the areas provided for in this paragraph.

7 “(b) For a dealer primarily of motor vehicles with a gross vehicle weight rating of 8,500 pounds
8 or more, a circular area around an existing dealership of:

9 “(A) Not less than a 25-mile radius from the dealership site; or

10 “(B) The area of sales and service responsibility determined under the franchise agreement if
11 the area is larger than the area provided for in subparagraph (A) of this paragraph.

12 “(16) ‘Replacement dealer’ means any person [who] **that**, at a dealership where the former dealer
13 was franchised by the same manufacturer, distributor or importer, or the manufacturer’s,
14 distributor’s or importer’s predecessor in interest, has been issued a vehicle dealer certificate under
15 ORS 822.020 and pursuant to a franchise from a manufacturer, distributor or importer, or the
16 manufacturer’s, distributor’s or importer’s predecessor in interest, engages in buying, selling, leasing
17 or exchanging new motor vehicles.

18 “(17) ‘Site-control agreement’ means an agreement between a franchisor and franchisee pursuant
19 to which the franchisor would:

20 “(a) Control the use and development of a dealership site other than as permitted in ORS 650.120
21 to 650.170;

22 “(b) Require a franchisee to establish or maintain an exclusive dealership under a franchise
23 agreement with the franchisor by not investing in, managing or sharing another dealership with a
24 different franchisor; or

25 “(c) Restrict the ability of a franchisee, or if the franchisee leases the dealership, the ability of
26 the franchisee’s lessor, to transfer, assign, sell, lease, develop or change the use of the dealership
27 site.

28 “(18) ‘Successor in interest’ means a manufacturer, distributor or importer that acquires,
29 whether through purchase, transfer or other means, the right to manufacture, distribute or import
30 motor vehicles using the trademark, service mark, trade name, logotype or other commercial symbol
31 of another manufacturer, distributor or importer.

32 “**SECTION 2.** ORS 650.130 is amended to read:

33 “650.130. Notwithstanding the terms of any franchise or other agreement, a manufacturer, dis-
34 tributor or importer may not:

35 “(1) Require or attempt to require a dealer to accept delivery of any motor vehicle, part, ac-
36 cessory or any other commodity that the dealer did not voluntarily order. This subsection does not
37 apply to recall safety and emissions campaign parts that the dealer did not voluntarily order or to
38 any vehicle features, parts, accessories or other components mandated by federal, state or local law.

39 “(2) Coerce or attempt to coerce a dealer to enter into any agreement or sales promotion pro-
40 gram by threatening to cancel the dealer’s franchise.

41 “(3) Refuse or fail to deliver, within a reasonable time and in a reasonable quantity, any new
42 motor vehicle, part or accessory covered by the franchise if the manufacturer, distributor or
43 importer advertises the vehicle, part or accessory as available for delivery or is delivering the ve-
44 hicle, part or accessory to another dealer. This subsection does not apply if the failure to deliver
45 results from a cause beyond the control of the manufacturer, distributor or importer.

1 “(4) Prevent or attempt to prevent a dealer from making reasonable changes in a dealership’s
2 capital structure or the means by which a dealer finances the dealership, provided that the dealer
3 meets any reasonable capital requirement of the manufacturer, distributor or importer.

4 “(5) Unreasonably refuse to compensate a dealer for work or services the dealer performed and
5 expenses the dealer incurred in accordance with the dealer’s delivery, preparation and warranty
6 obligations under the terms of a franchise or agreement.

7 “(6) Coerce or attempt to coerce a dealer to participate monetarily in any advertising campaign
8 or contest, or to purchase any promotional materials, display devices or display decorations or ma-
9 terials at the dealer’s expense.

10 “(7) Establish a maximum price a dealer may charge for motor vehicles with a gross vehicle
11 weight rating of less than 8,500 pounds.

12 “(8) Initiate an audit to determine the validity of paid claims for dealer compensation, or for any
13 charge-backs for warranty parts, [or] service compensation **or consumer or dealer incentives**,
14 more than one year following the date of payment unless the manufacturer, distributor or importer
15 has reasonable grounds to believe that the dealer submitted a fraudulent claim. If a manufacturer,
16 distributor or importer initiates an audit more than one year following the date of payment, the
17 manufacturer, distributor or importer may charge back to the dealer only the amount of a claim that
18 the manufacturer, distributor or importer proves was fraudulent. Parties shall cooperate to ensure
19 that permitted audits conclude not more than 60 days after the audits begin.

20 “[*(9) Initiate an audit to determine the validity of paid claims for dealer compensation, or for any*
21 *charge-backs for consumer or dealer incentives, more than one year following the date of payment un-*
22 *less the manufacturer, distributor or importer has reasonable grounds to believe that the dealer sub-*
23 *mitted a fraudulent claim. If a manufacturer, distributor or importer initiates an audit more than one*
24 *year following the date of payment, the manufacturer, distributor or importer may charge back to the*
25 *dealer only the amount of a claim that the manufacturer, distributor or importer proves was fraudulent.*
26 *Parties shall cooperate to ensure that permitted audits conclude not more than 60 days after the audits*
27 *begin.*]

28 “[*(10)*] **(9)** Unfairly compete with a dealer in any matters the franchise governs including, but
29 not limited to, the sale or allocation of vehicles or other franchisor products, or the execution of
30 dealer programs or benefits. This subsection applies if the manufacturer, distributor or importer has
31 an ownership interest in, operates or controls, directly or indirectly, a business that is a dealer in
32 this state.

33 **“(10) Implement or modify a system for selling or leasing motor vehicles that does not:**

34 **“(a) Use customer dealer selection or other objective criteria to allocate the motor ve-**
35 **hicles, if the manufacturer, distributor or importer designs or controls the system; and**

36 **“(b) Make available to dealers a description of the rules and requirements for making**
37 **reservations through the system, or changes to the rules and requirements, at least 30 days**
38 **before implementing the system or making the change.**

39 “(11) Have an ownership interest in, operate or control, directly or indirectly, a business that
40 sells or leases a motor vehicle to a person in [*Oregon*] **this state** except to a franchisee of the
41 manufacturer, distributor or importer. A manufacturer, distributor or importer does not violate this
42 subsection if:

43 “(a) The manufacturer, distributor or importer:

44 “(A) Has an ownership interest in, operates or controls, directly or indirectly, a business that
45 is a dealership in this state and is a business that:

1 “(i) A franchisee owned, operated or controlled before the manufacturer, distributor or importer
2 acquired the ownership interest in or began to operate or control the business;

3 “(ii) The manufacturer, distributor or importer maintains an ownership interest in, operates or
4 controls for no more than two years; and

5 “(iii) The manufacturer, distributor or importer offers for sale to a qualified independent person
6 at a fair and reasonable price while the manufacturer, distributor or importer maintains an owner-
7 ship interest in, operates or controls the business.

8 “(B) Has a part ownership interest in, operates or controls, directly or indirectly, a business that
9 is a dealership in this state and another person:

10 “(i) Manages the day-to-day operations and business of the dealership;

11 “(ii) Has made, or is obligated to make within 12 months, a significant capital investment in the
12 dealership that is subject to loss;

13 “(iii) Has an ownership interest in the dealership; and

14 “(iv) Operates the dealership under a franchise through which the person will within 15 years
15 acquire full ownership of the dealership under reasonable terms and conditions.

16 “(C) As of January 1, 2000, had an ownership interest in, operated or controlled, directly or in-
17 directly, a business that is a dealership in this state that sells motor vehicles with a gross vehicle
18 weight rating of 8,500 pounds or more.

19 “(D) Has an ownership interest in, operates or controls, directly or indirectly, a business that
20 primarily leases or rents motor vehicles for a period of 12 months or less and the only motor vehi-
21 cles that the business sells are motor vehicles that have been:

22 “(i) Owned by the business for 180 days or more; or

23 “(ii) Driven more than 10,000 miles while owned by the business.

24 “(E)(i) Has an ownership interest in, operates or controls, directly or indirectly, a business that
25 finances the sale or lease of motor vehicles; and

26 “(ii) Is a business that sells or leases motor vehicles to retail lessees in [Oregon] **this state**.

27 “(F) Has an ownership interest in, operates or controls, directly or indirectly, a business that
28 makes a sale or lease of a motor vehicle in a manner that does not violate subsection (12) of this
29 section.

30 “(b) A manufacturer has a part ownership interest in, operates or controls, directly or indirectly,
31 a business that is a dealership in this state that buys, sells, leases, trades, stores, takes on
32 consignment or in any other manner deals exclusively in a single line-make of the manufacturer and:

33 “(A) The manufacturer has, directly or indirectly, no more than 45 percent of the ownership
34 interest in the dealership;

35 “(B) When the manufacturer acquires an ownership interest in the dealership, the distance from
36 the manufacturer’s dealership to the dealership of a dealer that buys, sells, leases, trades, stores,
37 takes on consignment or in any other manner deals in the single line-make of the manufacturer and
38 in which the manufacturer has no ownership interest is not less than 15 miles;

39 “(C) The manufacturer complies with the area restrictions in ORS 650.120 and 650.150;

40 “(D) The manufacturer’s franchises authorize a dealer of the manufacturer’s single line-make to
41 operate as many dealerships within a defined geographic area as the dealer and manufacturer agree
42 on; and

43 “(E) On January 1, 2000:

44 “(i) There were no more than four dealers of the manufacturer’s single line-make in this state;
45 and

1 “(ii) Of the dealers of the manufacturer’s single line-make in this state, at least one was a
2 franchisee that owned and operated at least two dealerships within the geographic area authorized
3 by franchises with the manufacturer.

4 “(12) Sell or lease a motor vehicle to a person in this state other than to a business described
5 in subsection (11) of this section or to a franchisee of the manufacturer, distributor or importer. A
6 manufacturer, distributor or importer does not violate this subsection if:

7 “(a) The manufacturer, distributor or importer sells or leases a motor vehicle to:

8 “(A) An employee, retired employee or family member of an employee or retired employee of the
9 manufacturer, distributor or importer;

10 “(B) A driver training program;

11 “(C) A nonprofit corporation;

12 “(D) A qualified vendor;

13 “(E) A public agency, as defined in ORS 537.515;

14 “(F) A current retail lessee;

15 “(G) A fleet owner;

16 “(H) A business acting as a vehicle dealer under ORS chapter 822 that sells motor vehicles only
17 to other vehicle dealers; or

18 “(I) The customers of a business acting as a vehicle dealer under ORS chapter 822 that sells
19 motor vehicles only to other vehicle dealers.

20 “(b) The sale or lease is by a business in this state that primarily leases or rents motor vehicles
21 for a period of 12 months or less and the only motor vehicles that the business sells are motor ve-
22 hicles that have been:

23 “(A) Owned by the business for 180 days or more; or

24 “(B) Driven more than 10,000 miles while owned by the business.

25 “(c) The sale or lease is by a subsidiary of a manufacturer, distributor or importer that finances
26 the sale or lease of motor vehicles and the sale or lease is to a person that previously leased the
27 vehicle from the subsidiary.

28 “(13)(a) Own, operate or control a business or enter into any contract, agreement or other
29 written instrument that permits the manufacturer, distributor or importer to compensate a person
30 that is not a dealer for performing warranty repairs and services if the business is located within
31 a dealer’s relevant market area.

32 “(b) Paragraph (a) of this subsection does not apply to:

33 “(A) Warranty repairs and services performed on motor vehicles with a gross vehicle weight
34 rating of less than 8,500 pounds provided for commercial or government fleets; or

35 “(B) Warranty repairs and services performed on motor vehicles with a gross vehicle weight
36 rating of 8,500 pounds or more if, after January 1, 2002, a manufacturer, distributor or importer of
37 only motor vehicles with a gross vehicle weight rating of 8,500 pounds or more has:

38 “(i) Obtained written permission from the dealers in the relevant market area to perform the
39 repairs or services; or

40 “(ii) Authorized a person that owns or leases the motor vehicles for use in the person’s business
41 to perform the repairs or services.

42 “(14) Terminate, cancel, fail to renew or fail to approve the sale, transfer or assignment of any
43 franchise agreement because the dealer owns, has an investment in, participates in the management
44 of or holds a franchise agreement with another manufacturer, distributor or importer at a different
45 dealership site, or has franchises with more than one manufacturer, distributor or importer sharing

1 the same dealership site, facilities, personnel or display space before October 23, 1999.

2 “(15) Terminate, cancel, fail to renew or fail to approve the sale, transfer or assignment of any
3 franchise agreement because the dealer owns, has an investment in, participates in the management
4 of or holds a franchise agreement with another manufacturer, distributor or importer at a different
5 dealership site, or has franchises with more than one manufacturer, distributor or importer sharing
6 the same dealership site, facilities, personnel or display space on or after January 1, 2012, provided
7 the dealer complies with the manufacturer’s, distributor’s or importer’s reasonable capitalization and
8 financial requirements, reasonable space and facility requirements and other requirements that are
9 justified taking into account the reasonable business considerations of the manufacturer, distributor
10 or importer and the dealer, and provided there is no change in the principal management of the
11 dealership site.

12 “(16)(a) Require a prospective franchisee to enter into a site-control agreement as a condition
13 of:

14 “(A) Granting or renewing a franchise;

15 “(B) Approving the addition of a line-make of a manufacturer;

16 “(C) Approving the sale, transfer or assignment of a franchise agreement;

17 “(D) Approving the relocation, or granting a new franchise for relocation, of an existing deal-
18 ership; or

19 “(E) Obtaining fair and reasonable compensation under ORS 650.145 upon the termination, can-
20 cellation, nonrenewal or discontinuance of any franchise.

21 “(b) Paragraph (a) of this subsection does not prohibit enforcement of a voluntary agreement
22 between a franchisee and a manufacturer, distributor or importer for which separate and valuable
23 consideration that does not include any of the items listed in paragraph (a) of this subsection has
24 been offered and accepted.

25 “(17) Take any adverse action against a dealer for violating a prohibition that the manufacturer,
26 distributor or importer imposes on the dealer’s exporting a motor vehicle or selling a motor vehicle
27 for resale because the dealer sold a motor vehicle to a customer that exported or resold the motor
28 vehicle in violation of the prohibition, unless the manufacturer, distributor or importer provided the
29 dealer with written notice of the prohibition and the dealer knew or reasonably should have known
30 at the time the dealer sold the motor vehicle to the customer that the customer intended to export
31 or resell the vehicle in violation of the prohibition. A dealer that registers or causes a motor vehicle
32 to be registered in this state or another state and that collects or causes to be collected any sales
33 or use tax required in this state establishes a rebuttable presumption that the dealer did not have
34 reason to know that the customer intended to export or resell the motor vehicle.

35 “(18)(a) **Charge a fee to a consumer to sell, lease, provide, update or finance or offer to**
36 **sell, lease, provide, update or finance, except as provided in paragraph (b) of this subsection:**

37 “(A) **A subscription service that uses components and hardware that are already installed**
38 **on a motor vehicle, and that would operate after activation without ongoing cost or support,**
39 **in exchange for a recurring payment, other than a payment for a lease or under a retail in-**
40 **stallment contract, as defined in ORS 83.510, from a retail customer; or**

41 “(B) **A convenience or safety function, such as heated seats or driver assistance, in re-**
42 **turn for a payment from a retail customer.**

43 “(b) Paragraph (a) of this subsection does not prohibit a manufacturer, distributor or
44 importer from:

45 “(A) **Charging a fee to a consumer to sell, lease, provide, update or finance or offering**

1 to sell, lease, provide, update or finance a motor vehicle or a product, service or financing
2 through a dealer;

3 “(B) Providing a motor vehicle, product or service for occasional promotional or chari-
4 table purposes;

5 “(C) Arranging or providing emergency roadside service; or

6 “(D) Offering or providing a free trial of a subscription service described in paragraph
7 (a)(A) of this subsection.

8 “(e) This subsection does not apply to:

9 “(A) Any electronic wireless communication system installed in a motor vehicle; or

10 “(B) An information or entertainment service, navigation system, satellite radio, roadside
11 assistance or other driver assistance, or automation features that rely on cellular networks
12 or other data networks for operation.

13 “**SECTION 3.** ORS 650.132 is amended to read:

14 “650.132. (1)(a) A manufacturer, distributor or importer may not, through any of the methods
15 described in paragraph (b) of this subsection, directly or indirectly coerce or attempt to coerce a
16 dealer to:

17 “(A) Advertise, promote, offer or sell an extended service contract, an extended maintenance
18 plan, a guaranteed asset protection waiver or other arrangement that pays a purchaser the re-
19 maining balance on a note secured by a motor vehicle if the motor vehicle is lost, stolen or damaged
20 beyond repair, or a similar product or service, if the manufacturer, distributor or importer provides,
21 originates, sponsors or endorses the product or service[.];

22 “(B) Install on the dealer’s premises an electric vehicle charging station for the primary
23 purpose of allowing the public to charge electric vehicles; or

24 “(C) Accept a new plan or system for allocating or scheduling a delivery of a motor ve-
25 hicle, part or accessory, or a modification to an existing plan or system, if the new or mod-
26 ified plan or system is not fair, reasonable and equitable for all dealers of the
27 manufacturer’s, distributor’s or importer’s line-make.

28 “(b) Prohibited methods for coercing or attempting to coerce a dealer include, but are not lim-
29 ited to:

30 “(A) Stating to a dealer that the dealer’s failure to advertise, promote, offer or sell the products
31 or services described in paragraph (a)(A) of this subsection will substantially and adversely affect
32 the dealer’s business or the dealer’s relationship with the manufacturer, distributor or importer;

33 “(B) Requiring the dealer in a franchise agreement to advertise, promote, offer or sell the pro-
34 ducts or services described in paragraph (a)(A) of this subsection, **install the electric vehicle**
35 **charging station described in paragraph (a)(B) of this subsection or accept the plan or sys-**
36 **tem described in paragraph (a)(C) of this subsection;**

37 “(C) Measuring the dealer’s performance in a franchise on the basis of whether, or the extent
38 to which, the dealer advertises, promotes, offers or sells the products or services described in par-
39 agraph (a)(A) of this subsection, **installs the electric vehicle charging station described in par-**
40 **agraph (a)(B) of this subsection or accepts the plan or system described in paragraph (a)(C)**
41 **of this subsection; [or]**

42 “(D) Requiring the dealer to advertise, promote, offer or sell the products or services described
43 in paragraph (a)(A) of this subsection to the exclusion of other, similar products or services that a
44 person other than the manufacturer, distributor or importer offers[.];

45 “(E) Using force or a threat of force;

1 “(F) Withholding or threatening to withhold motor vehicles or parts from the dealer, or
2 offering or providing motor vehicles or parts to the dealer at a price that is higher than the
3 price that the manufacturer, distributor or importer offers or provides to other dealers of
4 the manufacturer’s, distributor’s or importer’s line-make; or

5 “(G) Refusing to offer to the dealer or to allow the dealer to earn incentives on the same
6 terms that the manufacturer, distributor or importer offers or provides to other dealers of
7 the manufacturer’s, distributor’s or importer’s line-make.

8 “(2) The prohibition in subsection (1) of this section does not affect a manufacturer’s,
9 distributor’s or importer’s right or ability to:

10 “(a) Provide incentives to a dealer that voluntarily decides to advertise, promote, offer or sell
11 the products or services described in subsection (1)(a)(A) of this section **or to install the electric**
12 **vehicle charging station described in subsection (1)(a)(B) of this section;** or

13 “(b) Require a dealer that sells a product or service that is similar to the products or services
14 described in subsection (1)(a)(A) of this section, but that the manufacturer, distributor or importer
15 does not provide, originate, sponsor or endorse, to notify a customer in writing, and to obtain the
16 customer’s acknowledgment, that the manufacturer, distributor or importer does not provide, origi-
17 nate, sponsor or endorse the product or service.

18 “(3) **A manufacturer, distributor or importer is not coercing a dealer if the manufac-**
19 **turer, distributor or importer requires the dealer to comply with reasonably necessary**
20 **standards to fulfill the dealer’s sales and service obligations.**

21 “(4) **At a dealer’s written request, a manufacturer, distributor or importer shall describe**
22 **in writing the basis for allocating or scheduling for delivery a motor vehicle, part or acces-**
23 **sory among all the dealers of the manufacturer’s, distributor’s or importer’s line-make.**

24 “(5) **A manufacturer, distributor or importer need not pay or make available incentives**
25 **or other benefits to a dealer that has not qualified for the incentives or benefits on the same**
26 **terms that the manufacturer, distributor or importer applies uniformly and equitably to all**
27 **of the dealers of the manufacturer’s, distributor’s or importer’s line-make.**

28 “**SECTION 4.** ORS 650.133 is amended to read:

29 “650.133. (1)(a) Except as provided in paragraph (b) of this subsection, a manufacturer, distribu-
30 tor or importer may not require a dealer to construct a new dealer facility or materially alter or
31 remodel an existing dealer facility within seven years after the date on which the dealer previously
32 constructed, materially altered or remodeled the existing dealer facility if the existing dealer facility
33 complies with the manufacturer’s, distributor’s or importer’s approved brand image standards or
34 plans that existed at the time the dealer constructed, materially altered or remodeled the existing
35 dealer facility.

36 “(b) A manufacturer, distributor or importer may require a dealer to construct a new dealer
37 facility or materially alter or remodel an existing dealer facility within seven years after the dealer
38 constructed, materially altered or remodeled the existing dealer facility:

39 “(A) If the manufacturer, distributor or importer demonstrates that the manufacturer’s,
40 distributor’s or importer’s requirement is reasonable and justifiable in light of:

41 “(i) The projected cost of the construction, material alteration or remodel;

42 “(ii) Existing and reasonably foreseeable economic conditions;

43 “(iii) Financial expectations;

44 “(iv) The availability of additional vehicle allocation; and

45 “(v) The dealer’s market for vehicle sales;

1 “(B) In order to comply with a health or safety law or with a technological requirement that is
2 necessary to sell or service a motor vehicle that the dealer sells or services under the terms of the
3 dealer’s franchise; or

4 “(C) By means of a written agreement separate from the franchise agreement if the manufac-
5 turer, distributor or importer provides money, credit, an allowance, an incentive or a reimbursement
6 to the dealer to compensate for all or a substantial portion of the cost of constructing a new dealer
7 facility or materially altering or remodeling an existing dealer facility.

8 “(c) Paragraph (a) of this subsection does not prohibit a dealer from voluntarily agreeing with
9 a manufacturer, distributor or importer to construct a new dealer facility or materially alter or re-
10 model an existing dealer facility in return for separate and valuable consideration. For the purposes
11 of this paragraph, renewing a dealer’s franchise is not separate and valuable consideration.

12 “(d) For purposes of this subsection:

13 “(A) ‘Materially alter’ means a significant architectural or structural modification to a dealer
14 facility that is directly related to effectively selling or servicing motor vehicles of the type that the
15 dealer’s franchise agreement or license permits the dealer to sell or service.

16 “(B) ‘Materially alter’ does not include routine maintenance, such as interior painting, that is
17 reasonably necessary to keep a dealer facility in attractive condition.

18 “(2)(a) Except as provided in paragraph (b) of this subsection, a manufacturer, distributor or
19 importer may not require a dealer to purchase goods or services for constructing, materially altering
20 or remodeling a dealer facility from a vendor that the manufacturer, distributor or importer selects,
21 identifies or designates without giving the dealer an option to obtain goods or services of substan-
22 tially similar quality and design from a vendor that the dealer chooses, subject to the
23 manufacturer’s, distributor’s or importer’s **written** approval in advance. The manufacturer, distrib-
24 utor or importer may not withhold approval unreasonably[.] **and must approve or disapprove**
25 **within 20 business days after a dealer’s written request to purchase goods and services from**
26 **a source other than a source the manufacturer, distributor or importer selects, identifies**
27 **or designates. If the manufacturer, distributor or importer does not disapprove the dealer’s**
28 **request in writing within 20 business days after receiving the request, the request is ap-**
29 **proved.**

30 “(b) A dealer may not select a vendor from which to obtain goods and services for constructing
31 a new dealer facility or materially altering or remodeling an existing dealer facility if a manufac-
32 turer, distributor or importer provides money, credit, an allowance or a reimbursement to compen-
33 sate for all or a substantial portion of the cost of upgrading or improving a dealer facility or for
34 using a specific material, good or service to upgrade or improve a dealer facility.

35 “(c) This subsection does not permit a dealer or vendor to:

36 “(A) Directly or indirectly or in any way infringe upon, eliminate or impair a manufacturer’s,
37 distributor’s or importer’s intellectual property rights or reasonable business requirements; or

38 “(B) Erect or maintain signs that do not conform to the manufacturer’s, distributor’s or
39 importer’s intellectual property usage guidelines.

40 “(3) **A manufacturer, distributor or importer has the burden of proof in a dispute with**
41 **a dealer over whether:**

42 “(a) **A requirement the manufacturer, distributor or importer imposes under subsection**
43 **(1)(b) of this section is reasonable and justifiable or is necessary to comply with a health or**
44 **safety law or technological requirement; or**

45 “(b) **A disapproval of a request to purchase goods or services under subsection (2)(a) of**

1 **this section was reasonable.**

2 **"SECTION 5.** ORS 650.158 is amended to read:

3 **"650.158. (1)** Each manufacturer, distributor or importer shall specify in writing to each of the
4 manufacturer's, distributor's or importer's dealers in this state:

5 **"(a)** The dealer's obligations for predelivery preparation and warranty service on the
6 manufacturer's, distributor's or importer's motor vehicles;

7 **"(b)** The schedule of compensation the manufacturer, distributor or importer will pay the dealer
8 for *[parts, work and service]* **diagnostic work, repair service, parts and labor** in connection with
9 predelivery preparation and warranty service; and

10 **"(c)** The time allowances for performing predelivery preparation and warranty service.

11 **"(2)(a)** A schedule of compensation must include reasonable compensation for diagnostic work,
12 repair service, **parts** and labor **and must reasonably, adequately and fairly compensate the**
13 **dealer for the work, service, parts and labor.** Time allowances for diagnosing and performing
14 predelivery and warranty service must be reasonable and adequate for the work to be performed.
15 A manufacturer, distributor or importer may not pay an hourly rate to a dealer that is less than the
16 rate the dealer charges nonwarranty customers for nonwarranty service and repairs. Reimburse-
17 ment for parts, other than parts used to repair the living facilities of motor homes, that the dealer
18 purchases for use in performing predelivery and warranty service must be the amount the dealer
19 charges nonwarranty customers, as long as the amount is not unreasonable.

20 **"(b)(A)** For purposes of this subsection and subject to subparagraphs (B) *[and (C)]* **to (D)** of this
21 paragraph, to determine compensation under this subsection, a dealer shall propose an hourly rate
22 and an amount for parts that the dealer charges nonwarranty customers by submitting to the man-
23 ufacturer, distributor or importer copies of 100 sequential nonwarranty service repair invoices that
24 customers paid or 90 consecutive days' worth of nonwarranty service invoices that customers paid,
25 whichever is less, for repairs the dealer made not more than 180 days before the dealer's submission.
26 If the manufacturer, distributor or importer does not contest the dealer's proposal and the dealer
27 otherwise complies with the provisions of this paragraph, the dealer's proposal is presumed to be
28 fair and reasonable.

29 **"(B)** A manufacturer, distributor or importer may contest the dealer's proposal with evidence
30 that the dealer's proposal is not accurate or on the basis that the dealer's proposal does not rea-
31 sonably conform with the hourly rate **or estimated time for labor** or the amount for parts that
32 other dealers charge nonwarranty customers in the same line-make in market areas that are con-
33 tiguous to the dealer's market area or with other relevant evidence. In contesting a dealer's pro-
34 posal based on evidence from other dealers in the contiguous market area, a manufacturer,
35 distributor or importer shall rely on evidence from at least three other dealers in the contiguous
36 market area or three dealers in an economically similar market within the manufacturer's,
37 distributor's or importer's region.

38 **"(C)** **A manufacturer, distributor or importer shall use time allowances that are reason-**
39 **able and adequate for a qualified technician to make a diagnosis and perform work or service.**
40 **The manufacturer, distributor or importer may not unreasonably deny a written request**
41 **from a dealer for a modification of the manufacturer's, distributor's or importer's time al-**
42 **lowance for a specific warranty repair, or for an additional time allowance for diagnostic**
43 **work or repair work on a specific vehicle that is covered by a warranty, if the dealer includes**
44 **with the request information and documentation that the manufacturer, distributor or**
45 **importer reasonably requires to assess the merits of the request.**

1 “(C) (D) A dealer may not include in *[the dealer’s proposal]* **a proposal described in subparagraph (A) of this paragraph:**

2 “(i) Repairs for a manufacturer’s, distributor’s or importer’s specials, special events or promotional discounts for retail customer repairs;

3 “(ii) Parts sold at wholesale;

4 “(iii) Routine maintenance that a retail customer warranty does not cover, such as fluids, filters and belts that a dealer uses in performing work other than repairs;

5 “(iv) Nuts, bolts, fasteners and similar items that do not have an individual part number; and

6 “(v) Vehicle reconditioning.

7 “(c) *[The hourly rate or the amount for parts that a dealer charges nonwarranty customers that the dealer proposes]* **A dealer’s proposal** under paragraph (b)(A) of this subsection becomes effective 30 days after the manufacturer, distributor or importer approves the hourly rate or the amount for parts. For purposes of this paragraph, a manufacturer, distributor or importer approves the dealer’s proposal if the manufacturer, distributor or importer does not contest the proposed hourly rate or amount for parts within 30 days after the dealer submits the proposal.

8 “(d) If a manufacturer, distributor or importer contests a dealer’s proposal, the manufacturer, distributor or importer shall propose an adjustment to the dealer’s proposal not later than 30 days after the dealer submits the dealer’s proposal.

9 “(e) **Not more than** once per year, a manufacturer, distributor or importer may verify the dealer’s hourly rate or the amount for parts the dealer charges nonwarranty customers **and a dealer may propose an increase in the manner provided in paragraph (b)(A) of this subsection in the hourly rate or the amount the dealer charges for parts.** If the manufacturer, distributor or importer finds that the dealer’s hourly rate or the amount for parts has decreased, the manufacturer, distributor or importer may reduce the dealer’s compensation under this subsection prospectively. **If the manufacturer, distributor or importer does not contest the dealer’s proposed increase in the manner provided in paragraph (b)(B) of this subsection, the increase becomes effective as provided in paragraph (c) of this subsection.**

10 “(3) A manufacturer, distributor or importer shall include, in written notices of vehicle recalls to motor vehicle owners and dealers, the expected date by which necessary parts and equipment will be available to the dealers to correct the defect or defects. A manufacturer, distributor or importer shall adequately compensate a dealer for repair service the dealer performs under the recall.

11 “(4) A manufacturer, distributor or importer shall:

12 “(a) Pay or credit a dealer for labor or parts the dealer claims under this section within 30 days after approving the dealer’s claim;

13 “(b) Approve or disapprove, in the manner the manufacturer, distributor or importer specifies, all claims that a dealer makes for labor or parts within 30 days after receiving the claim;

14 “(c) **Allow a dealer to correct and resubmit a claim for labor or parts within 30 days after receiving the manufacturer’s, distributor’s or importer’s disapproval;**

15 “(c) (d) Treat as approved any claim, **or resubmission of a corrected claim,** that a manufacturer, distributor or importer did not approve or disapprove within 30 days after the manufacturer, distributor or importer received the claim **or resubmission** and pay or credit the dealer for the claim within 60 days after receiving the claim **or resubmission;** and

16 “(d) (e) Notify the dealer in writing of the manufacturer’s, distributor’s or importer’s grounds for disapproving a claim.

1 “(5) A manufacturer, distributor or importer may:

2 “(a) Require reasonable documentation as substantiation for a dealer’s claim under this
3 section;

4 “(b) Audit a dealer’s claim under this section within one year after the date on which the
5 manufacturer, distributor or importer paid the claim; and

6 “(c) Charge back a dealer’s claim under this section that is unsubstantiated, false or
7 fraudulent.

8 “[(5)] (6) A manufacturer, distributor or importer may not:

9 “(a) Recover all or a portion of cost of compensating a dealer for warranty parts or service by
10 reducing the amount due a dealer or by imposing a separate charge, surcharge, administrative fee
11 or other fee.

12 “(b) Deny or charge back a dealer’s claim solely because a dealer failed to comply with a spe-
13 cific claim processing procedure because of a clerical or administrative error that does not affect
14 the legitimacy of the dealer’s claim, if the dealer resubmits the claim in compliance with the
15 manufacturer’s, distributor’s or importer’s claim processing procedure within 45 days after the
16 manufacturer, distributor or importer initially denies or charges back the claim.

17 “(c) Deny a dealer’s claim solely because an owner who brought a motor vehicle to the
18 dealer for a repair under warranty drove the motor vehicle for additional miles while await-
19 ing service or a repair that the dealer could not complete because parts for the service or
20 repair were not available.

21 “(d) Reduce a payment for a dealer’s claim solely on the basis of a national market norm
22 or market average.

23 “(e) Limit or restrict the number of repairs a motor vehicle owner may obtain from a
24 dealer on the basis of a national index or average of failure rates for the motor vehicle.

25 “(7)(a) Except as provided in paragraph (b) of this subsection, if a manufacturer, dis-
26 tributor or importer supplies a part to a dealer for the purpose of replacing the part or
27 making a repair under warranty to a motor vehicle in the manufacturer’s, distributor’s or
28 importer’s line-make, but the manufacturer, distributor or importer does not sell the part
29 to the dealer, the manufacturer, distributor or importer shall compensate the dealer at the
30 equivalent of the dealer’s average percentage markup on the part as if the manufacturer,
31 distributor or importer had sold the part to the dealer at the price listed for the part in the
32 manufacturer’s, distributor’s or importer’s current parts catalog.

33 “(b) The requirement set forth in paragraph (a) of this subsection does not apply to en-
34 tire engine assemblies, propulsion engine assemblies, entire transmission assemblies or
35 electric batteries. If the manufacturer, distributor or importer supplies the dealer with an
36 assembly or battery described in this paragraph but does not sell the assembly or battery to
37 the dealer, the manufacturer, distributor or importer shall compensate the dealer in an
38 amount that is equivalent to 30 percent of what the dealer would have paid for the assembly
39 or battery had the manufacturer, distributor or importer sold the assembly or battery to the
40 dealer at the price listed in the manufacturer’s, distributor’s or importer’s current parts
41 catalog.

42 “SECTION 6. ORS 650.161 is amended to read:

43 “650.161. (1) As used in this section:

44 “(a) ‘Do not drive order’ means a notice in which a manufacturer advises owners of a vehicle
45 not to drive the vehicle until the owner has obtained a repair for a safety defect in the vehicle.

1 “(b) ‘Stop sale order’ means a notice in which a manufacturer prohibits a franchisee from leasing
2 or selling at wholesale or retail a [used] vehicle in the franchisee’s inventory because of a federal
3 recall for a safety defect or a failure to comply with a federal safety standard or a federal emissions
4 standard.

5 “(c) ‘Valuation’ means the average trade-in value shown in an independent third-party guide for
6 the year, make and model of a [used] vehicle.

7 “(2) A manufacturer shall compensate the manufacturer’s franchisees for all labor and parts the
8 manufacturer requires the franchisees to use to perform repairs on vehicles that are subject to a
9 recall. The manufacturer shall compensate franchisees in accordance with the standards and process
10 for compensation set forth in ORS 650.158.

11 “(3)(a) Subject to the conditions set forth in paragraphs (b) and (c) of this subsection, a man-
12 ufacturer shall compensate a dealer at a prorated rate of least 1.5 percent of the valuation of a
13 [used] vehicle that is subject to a recall during each month in which the dealer holds the vehicle for
14 sale while awaiting parts or a remedy that is necessary to repair or service the vehicle.

15 “(b) The manufacturer shall pay the compensation described in paragraph (a) of this subsection:

16 “(A) If the [used] vehicle is subject to a federal recall for a safety defect or a failure to comply
17 with a federal safety standard or a federal emissions standard;

18 “(B) If the manufacturer issued a do not drive order or stop sale order for the [used] vehicle;

19 “(C) If the manufacturer has authorized the dealer to sell and service new vehicles of the same
20 line-make as the [used] vehicle that is subject to the recall;

21 “(D) If the dealer had the [used] vehicle in the dealer’s inventory at the time the manufacturer
22 issued the do not drive order or stop sale order or if the dealer received the [used] vehicle as a
23 trade-in as part of a consumer’s purchase of [a new] **another** vehicle after the manufacturer issued
24 the do not drive order or stop sale order;

25 “(E) If a part or remedy necessary to repair or service the [used] vehicle is not reasonably
26 available within 30 days after the manufacturer issued an initial recall notice; and

27 “(F) For a period that begins 30 days after the date on which the manufacturer issued the do
28 not drive order or stop sale order and that ends on the earlier of the following dates:

29 “(i) The date on which the manufacturer makes available to the dealer a part or remedy that
30 is necessary to repair the [used] vehicle that is subject to the recall; or

31 “(ii) The date on which the dealer sells, trades or otherwise disposes of the [used] vehicle that
32 is subject to the recall.

33 “(c) A manufacturer may direct the manner and method by which a dealer must demonstrate
34 that the dealer had a [used] vehicle that was subject to a recall in the dealer’s inventory as required
35 under paragraph (b)(D) of this subsection. The manufacturer may not require a demonstration that
36 is unreasonable or unduly burdensome or require information that is unreasonably or unduly bur-
37 densome for the dealer to provide.

38 “(d) This subsection does not require a manufacturer to provide total compensation to a dealer
39 that exceeds the valuation of a [used] vehicle that is subject to a recall.

40 “(4) A claim for compensation that a franchisee makes under subsection (2) of this section or
41 that a dealer makes under subsection (3) of this section is subject to the same requirements and
42 limitations to which a claim for compensation under ORS 650.158 is subject unless:

43 “(a) The manufacturer compensates the franchisee or the dealer under a national program that
44 provides compensation for recall service or repairs that is equal to or greater than the compensation
45 the manufacturer would provide under subsection (3) of this section; or

1 “(b) The manufacturer and franchisee or dealer agree to different compensation.

2 “(5)(a) A manufacturer may not reduce compensation that the manufacturer owes to a franchisee
3 by means of a chargeback, reducing the amount the manufacturer owes a franchisee under or re-
4 moving a franchisee from an incentive program or any other means solely because the franchisee
5 submitted a claim for or received compensation under this section.

6 “(b) This subsection does not prohibit a manufacturer from modifying or discontinuing an in-
7 centive program or other program prospectively or from making ordinary business decisions.

8 “(c) A franchisee may contest the amount of compensation a manufacturer provides under this
9 section in accordance with the procedures set forth in ORS 650.158.

10 “(6) A remedy that a dealer obtains under this section is exclusive and may not be combined
11 with other compensation or remedies that are available under state or federal law or state or federal
12 compensation programs.

13 “**SECTION 7.** ORS 650.162 is amended to read:

14 “650.162. (1) To transfer, assign or sell the ownership or management, or any interest in the
15 ownership or management, of a dealer, dealership or franchise, the dealer shall notify the franchisor
16 of the decision to transfer, assign or sell. The notice *[shall]* **must** include completed application
17 forms and related information *[generally used by]* the manufacturer, distributor or importer **gener-**
18 **ally uses** to conduct a review of transfers, assignments or sales and **must include** a copy of all
19 agreements regarding the transfer, assignment or sale.

20 “(2) Within 60 days *[of]* **after** receiving notice sent under subsection (1) of this section, a
21 franchisor shall send a notice by certified mail to the dealer. The notice sent under this subsection
22 *[shall]* **must** specify approval or disapproval of the transfer, assignment or sale. If the transfer, as-
23 signment or sale is disapproved, the notice *[shall]* **must** set forth material reasons for the disap-
24 proval.

25 “(3) A manufacturer, distributor or importer may not unreasonably withhold approval of a
26 transfer, assignment or sale. *[It is unreasonable for]* A manufacturer, distributor or importer *[to re-*
27 *ject]* **unreasonably withholds approval for a transfer, assignment or sale if the manufacturer,**
28 **distributor or importer rejects** a prospective transferee, assignee or buyer who is of good moral
29 character and who otherwise meets the manufacturer’s, distributor’s or importer’s written and rea-
30 sonable standards or qualifications relating to the prospective transferee’s, assignee’s or buyer’s:

31 “(a) Business experience and performance; and

32 “(b) Financial qualifications.

33 “(4) If the manufacturer, distributor or importer does not respond within 60 days *[of]* **after** re-
34 ceiving a notice sent under subsection (1) of this section, the transfer, assignment or sale *[shall be*
35 *considered approved and shall take effect]* **is approved and takes effect.**

36 “(5) A manufacturer, distributor or importer may exercise a right of first refusal if the right is
37 included in the franchise agreement, the transfer, assignment or sale consists of more than 50 per-
38 cent of the dealer’s ownership of the franchise and all of the following requirements are met:

39 “(a) The manufacturer, distributor or importer sends a notice by certified mail to the dealer
40 within 60 days *[of]* **after** receiving a notice under subsection (1) of this section specifying that the
41 franchisor is exercising a right of first refusal.

42 “(b) The exercise of the right of first refusal will result in the dealer and any owner of the
43 dealer receiving consideration, terms and conditions that are either the same as or better than
44 *[those contracted to]* **the consideration, terms and conditions the dealer and owner would re-**
45 **ceive under the transfer, assignment or sale.**

1 “(c) The transferee, assignee or buyer is not any of the following:
2 “(A) Any of the following family members of any owner of the dealer:
3 “(i) A spouse;
4 “(ii) A child or stepchild;
5 “(iii) A grandchild or stepgrandchild;
6 “(iv) The spouse of a child, stepchild, grandchild or stepgrandchild;
7 “(v) A brother or sister or a stepbrother or stepsister; or
8 “(vi) A parent or stepparent;
9 “(B) A manager employed by the dealer who is otherwise qualified to be a dealer;
10 “(C) A partnership or corporation controlled by any of the family members listed in paragraph
11 (c)(A) of this subsection; or
12 “(D) A trust established or to be established:
13 “(i) For the purposes of allowing the transferee, assignee or buyer to continue to qualify as such
14 under the manufacturer’s, distributor’s or importer’s standards; or
15 “(ii) To provide for the succession of the franchise to qualified designated family members or a
16 qualified manager in the event of the death or incapacity of the dealer.
17 “(d) The manufacturer, distributor or importer pays the reasonable expenses, including attorney
18 fees, that are incurred by the transferee, assignee or buyer before the manufacturer, distributor or
19 importer exercises a right of first refusal. A manufacturer, distributor or importer may require the
20 transferee, assignee or buyer to provide an accounting of expenses incurred prior to issuing pay-
21 ment.
22 “(6) A manufacturer, distributor or importer may not exercise or threaten to exercise a
23 right of first refusal in bad faith.
24 “**SECTION 8.** Section 9 of this 2025 Act is added to and made a part of ORS 650.120 to
25 **650.170.**
26 “**SECTION 9.** A franchisor shall indemnify a franchisee or former franchisee or a suc-
27 cessor in interest to the franchisee or former franchisee for damages, attorney fees, court
28 expenses and related expenses that the franchisee or former franchisee reasonably incurs for
29 a claim:
30 “(1) That results from a defect in the condition, a characteristic or the design of a motor
31 vehicle, or in a tool or process the franchisor used in manufacturing or assembling a motor
32 vehicle, or in a component, part, accessory or equipment the franchisor assembled into or
33 installed in or on a motor vehicle;
34 “(2) For injury or damages from a service system, procedure or method that the
35 franchisor requires or required the franchisee or former franchisee to use, if the franchisee
36 or former franchisee used the system, procedure or method properly and in accordance with
37 the franchisor’s training or instructions;
38 “(3) For injury or damages from a franchisor’s disclosure or improper use of protected
39 dealer data, as defined in ORS 650.123;
40 “(4) For which the franchisee or former franchisee would have a right of indemnity or
41 contribution against the franchisor under applicable law or under a franchise, even if the
42 franchise expired or was terminated; or
43 “(5) For injury or damages as a result of the franchisee’s or former franchisee’s use of
44 an electronic system for managing protected dealer data, as defined in ORS 650.123, that the
45 franchisor requires or required the franchisee or former franchisee to use and the use vio-

1 lated a federal law or a law of this state, unless the franchisee or former franchisee, or an
2 agent or employee of the franchisee or former franchisee willfully or intentionally used the
3 system in violation of federal law or a law of this state.

4 “SECTION 10. Section 9 of this 2025 Act and the amendments to ORS 650.120, 650.130,
5 650.132, 650.133, 650.158, 650.161 and 650.162 by sections 1 to 7 of this 2025 Act apply to fran-
6 chises that a franchisor and franchisee enter into or renew on or after the effective date of
7 this 2025 Act.”.
