

February 1, 2018

The Honorable Mike Petersen, Chairperson
Senate Committee on Transportation
Statehouse, Room 345-S
Topeka, Kansas 66612

Dear Senator Petersen:

SUBJECT: Fiscal Note for SB 324 by Senate Committee on Transportation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 324 is respectfully submitted to your committee.

SB 324 would add new provisions to the Vehicle Dealers and Manufacturers Licensing Act concerning improving facilities, performance and recall repairs. The bill would prohibit vehicle manufacturers from coercing or requiring any vehicle dealer to make improvements or install new signs at the dealer's facilities if the dealer had made improvements or installed new signs within the past 10 years that were required and approved by the manufacturer or one of its contractors or affiliates. Vehicle manufacturers would be prohibited from requiring a vehicle dealer to purchase goods or make improvements to a dealer's facilities using a vendor designated by the manufacture without allowing the dealer the option to obtain similar goods or services from a vendor chosen by the dealer and approved by the manufacturer.

The bill would prohibit manufacturers from using criteria for measuring the sales or service performance of dealers that have a material or adverse effect on any dealer; are unfair, unreasonable, arbitrary or inequitable; or do not consider local and regional data. The bill would require manufacturers to provide reasonable compensation to new vehicle dealers for all labor and parts required to perform recall repairs. The bill would become effective upon its publication in the *Kanas Register*.

Enactment of SB 324 would have no fiscal effect.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Lynn Robinson, Department of Revenue