

Bill Summary
1st Session of the 59th Legislature

Bill No.:	SB 593
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Author:	Sen. R. Thompson
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Bill Analysis

SB 593 provides that a dealer management system provider may condition access and the ability of a car dealer or authorized integrator to receive, share, copy, use, write, or transmit protected dealer data from or to a dealer data system on the dealer's or authorized integrator's compliance with security standards as well as deny access of a dealer data system to a dealer if the dealer fails to pay an amount due to the dealer management system provider. No provider shall take any action that would limit or prohibit the ability of a dealer or an authorized integrator to receive, protect, store, copy, share, or use protected dealer data, with certain exceptions. Any term or condition of a contract with a dealer management system provider that conflicts with the requirements set forth in the measure shall be void and unenforceable. The measure provides that any authorized integrator, as defined in the measure, must obtain express written authorization from a dealer before gaining access to protected data. Such entities must also comply with security standards in gaining access to such data and allow a dealer to withdraw, revoke, or amend any express written authorization. System providers are not liable for any action that a dealer takes directly with respect to securing or preventing unauthorized access to protected dealer data. Dealers are not liable for any action that an authorized integrator takes directly with respect to securing or preventing unauthorized access to protected dealer data. Additionally, manufacturers and distributors are not liable for any action that a dealer, dealer management system provider, authorized integrator, or other third party. Manufacturers are required to allow its new motor vehicle dealers to offer consumers any remote software upgrade or change to vehicle functions and features to a new motor vehicle, if also offered by the manufacturer, which is of a line-make the new motor vehicle dealer holds an active sales and service contract.

Prohibits factories or their affiliated entities from obtaining licenses as new motor vehicle dealers; providing exception. Providing for penalties on factories that use certain performance standards, not considering local criteria and conditions, not equitably offering for sale vehicles at the same price, failing to provide reasonable compensation for loaner vehicles, failing to compensate for recall repairs, failing to provide compensation for certain used vehicles, entering certain agreements that alters the rights and obligations of the dealer, refusing payment related to certain purchaser actions, changing system of distribution, . Prohibiting dealers from submitting rates more than once a year for repair parts and labor. Modifying requirements for submitting repair orders. Providing for manufacturer to request supplemental repair orders under certain circumstances. Prohibiting certain factory charge-backs. Providing exception for prohibition on factory requiring construction of rehabilitation of dealership.

Defining designated successor. Prohibiting consideration of certain denial of designated successors based on failure to agree to certain terms as good cause. Prohibiting the withholding of approval of transfer to designated successor based on standards different than those in certain existing agreements. Limiting distributor evaluation of proposed sale or transfer of dealership. Modifying definition of relevant market area.

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