

[Ensure Equal Treatment Under Law for All Automakers in Selling Vehicles – Alliance for Automotive Innovation \(AAI\) 1](#)

Brief Summary: Allow manufacturers that manufacture zero-emission vehicles (in addition to other vehicles that are sold through new motor vehicle dealers) to sell directly to consumers without violating the prohibition on a manufacturer competing with a new motor vehicle dealer.

Statutes Proposed for Amendment:
 - [9 V.S.A. § 4085\(18\)](#); and
 - [9 V.S.A. § 4097\(8\)](#).

Note: This is not the same as the exemption that was added in [2021 Acts and Resolves No. 63, Sec. 3](#) to allow zero-emission vehicle manufacturers to own/operate a warranty or service facility center (see AAI 4) because manufacturers without dealers were, and still are, allowed to sell directly to consumers.

[Protecting Consumer Access to Competitive Marketplace for Vehicle Parts – AAI 2](#)

Brief Summary: Do not allow the prohibition on manufacturers selling parts and accessories at retail to go into effect on July 1, 2022 pursuant to [2021 Acts and Resolves No. 63, Secs. 4a and 6\(a\)](#).

Statutes Proposed for Amendment:
 - N/A (repeal law before it goes into effect).

Note: Review with VADA 6 (only prohibit retail sale of parts and accessories by manufacturers to end users).

<u>Ensure Consumer Access to Competitive Marketplace on Vehicle Subscriptions – AAI 3</u>		
<p>Brief Summary: Do not allow the prohibition on manufacturers offering vehicles through a subscription or like agreement to go into effect on July 1, 2022 pursuant to 2021 Acts and Resolves No. 63, Secs. 4a and 6(a).</p>	<p>Statutes Proposed for Amendment:</p> <ul style="list-style-type: none"> - N/A (repeal law before it goes into effect). 	<p>Note: Review with VADA 6 (define “subscription”).</p>
<u>Revise Automaker Warranty Payment Calculations and Audits – AAI 4</u>		
<p>Brief Summary:</p> <ul style="list-style-type: none"> - Amend statutory calculation for the warranty rate; - Delete language that requires certain language in retail notices (covered by federal regulation); - Extend manufacturer audit windows and expand what claims are covered; and - Allow manufacturers to own, operate, or control a warranty or service facility if it only services zero-emission vehicles. 	<p>Statutes Proposed for Amendment:</p> <ul style="list-style-type: none"> - 9 V.S.A. § 4086. 	<p>Note: Review with VADA 2 and AAI 1.</p>
<u>Ensure Reasonableness Standard in Facility Renovations – AAI 5</u>		
<p>Brief Summary: Switch to a reasonableness standard for when a manufacturer can require the relocation of a dealership or substantial alterations to the dealership premises or facilities.</p>	<p>Statutes Proposed for Amendment:</p> <ul style="list-style-type: none"> - 9 V.S.A. § 4096(9). 	<p>Note: Review with VADA 1 (when dealership renovations can be required by manufacturer).</p>

<u>Fixing System of Vehicle Allocation – AAI 6</u>		
Brief Summary: Delete requirement that vehicle inventory be disbursed with a focus on facility size and sale potential in its area (deviation from the “turn & earn” system, which allows all new motor vehicle dealers to maintain the same number of days of inventory).	Statutes Proposed for Amendment: - 9 V.S.A. § 4097(1) .	
<u>Delete Existing Right of First Refusal Prohibition – AAI 7</u>		
Brief Summary: Eliminate prohibition on a manufacturer requiring that a new motor vehicle dealer franchisee grant the manufacturer a right of first refusal to purchase the franchise or real estate or business assets of the franchisee.	Statutes Proposed for Amendment: - 9 V.S.A. § 4097(15) .	
<u>Facility Requirements and Vendor Requirements – Vermont Vehicle and Automotive Distributors Association (VADA) 1</u>		
Brief Summary: Amend statute to prohibit a manufacturer from requiring a new motor vehicle dealer to: - relocate a dealership or to make substantial alterations to the dealership premises/facilities without written assurance from the manufacturer that the relocation or alterations will yield certain returns on investments (full within 10 years); - construct a new dealership facility or renovate an existing dealership facility during the 10 years following a required facility construction or renovation unless it is necessary to	Statutes Proposed for Amendment: - 9 V.S.A. § 4096 .	Note: Review with AAI 5.

<p>comply with a health or safety law or a technology requirement that is necessary to sell or service a particular motor vehicle;</p> <ul style="list-style-type: none"> - purchase goods or services for the construction, renovation, or improvement of a dealership facility from a vendor chosen by the manufacturer in certain instances; and - purchase specific tools and equipment to service motor vehicles without demonstrating that the new motor vehicle dealer will receive a reasonable return on investment from purchasing the specific tools and equipment. 		
<p><u>Warranty and Predelivery Obligations – VADA 2</u></p>		
<p>Brief Summary: Amend statute, with regards to how a new motor vehicle dealer is compensated for certain work, to:</p> <ul style="list-style-type: none"> - make the calculation of the retail amounts customarily charged by the new motor vehicle dealer mandatory; - specify what shall be considered in calculating the average percentage markup; - prohibit a manufacturer from requiring/influencing a new motor vehicle dealer to implement or change the prices it charges retail customers for parts/labor; - require a manufacturer to compensate a new motor vehicle dealer for parts/components based on the average markup on the cost if 	<p>Statutes Proposed for Amendment:</p> <ul style="list-style-type: none"> - 9 V.S.A. § 4086. 	<p>Note: Review with AAI 4.</p>

<p>the part/component is furnished to the new motor vehicle dealer at less than its normal price; and</p> <ul style="list-style-type: none"> - decrease manufacturer audit windows. 		
<p><u>Unreasonable Standard – VADA 3</u></p>		
<p>Brief Summary: Expand the prohibition on a manufacturer imposing unreasonable standards of performance to standards that are prescribed under a separate program in addition to a franchise and to require that manufacturers take into account all circumstances relevant to a new motor vehicle dealer’s local market circumstances when imposing standards of performance.</p>	<p>Statutes Proposed for Amendment:</p> <ul style="list-style-type: none"> - 9 V.S.A. § 4097(16). 	
<p><u>Consumer Data – VADA 4</u></p>		
<p>Brief Summary: Define “consumer data” and “data management system,” require manufacturers to indemnify their new motor vehicle dealers for claims asserted against or damages incurred by a new motor vehicle dealer related to the disclosure of consumer data in certain instances, and prohibit a manufacturer from:</p> <ul style="list-style-type: none"> - failing to comply with or causing a new motor vehicle dealer to violate any restrictions on reuse or disclosure of consumer data; - failing to provide, upon request, a new motor vehicle dealer with a written statement on procedures to safeguard consumer data that meet or exceed State and federal requirements adopted by 	<p>Statutes Proposed for Amendment:</p> <ul style="list-style-type: none"> - 9 V.S.A. § 4085; and - Add 9 V.S.A. § 4097(25). 	

<p>the manufacturer or a third-party acting on behalf of the manufacturer;</p> <ul style="list-style-type: none"> - failing to provide, upon request, a new motor vehicle dealer with a written list of consumer data obtained from the new motor vehicle dealer and to whom it has been provided; and - requiring that a new motor vehicle dealer grant direct or indirect access to its data management system instead of permitting the new motor vehicle dealer to furnish consumer data in a widely accepted file format. 		
<p><u>New Motor Vehicle Direct Shippers License – VADA 5</u></p>		
<p>Brief Summary: Create a new motor vehicle direct shipper license to regulate persons selling motor vehicles over the Internet from outside the State and ensure that the dealer is: educated and trained to complete the proper documentation for the sale and financing of motor vehicles; has no criminal background; has adequate dealership sales and service facilities; is authorized by a manufacturer to perform pre-delivery preparation of the motor vehicle; and is not affiliated with a manufacturer that is a franchisor.</p>	<p>Statutes Proposed for Amendment:</p> <ul style="list-style-type: none"> - Add 23 V.S.A. § 450b. 	
<p><u>Competition with Dealers – VADA 6</u></p>		
<p>Brief Summary: Define “subscription,” which manufacturers will be prohibited from offering motor vehicles through starting on July 1, 2022; only prohibit manufacturers from selling parts and accessories at retail to the end user as opposed to just at retail; and prohibit</p>	<p>Statutes Proposed for Amendment:</p> <ul style="list-style-type: none"> - 9 V.S.A. § 4085; and - 9 V.S.A. § 4097(8). 	<p>Note: Review with AAI 2 and AAI 3.</p>

<p>manufacturers from offering or selling software and hardware upgrades or changes to vehicle function and features.</p>		
<p><u>Civil Actions for Violations – VADA 7</u></p>		
<p>Brief Summary: Specify that in allegations of a violation of the Motor Vehicle Manufacturers, Distributors, and Dealers Franchising Practices Act (Franchise Act), the manufacturer has the burden to show that the Franchise Act was not violated.</p>	<p>Statutes Proposed for Amendment:</p> <ul style="list-style-type: none"> - 9 V.S.A. § 4099; and - 9 V.S.A. § 4100b. 	