

## Act 59 of 2018 Notice

Act 59 of 2018 requires vehicle manufacturers to compensate its new vehicle dealers for all labor and parts required by the manufacturer to perform recall repairs. The act also requires vehicle dealers to disclose in writing to used vehicle retail purchasers at the time of sale the existence of any open, unremedied recalls on the vehicle. If the dealer provides the vehicle purchaser with a report from the publicly accessible website [safercar.gov](http://safercar.gov) or a successor website, then the dealer will be in compliance with the disclosure requirement.

The act prevents manufacturers, factory branches, distributors, field representatives, officers, agents or any representative whatsoever of a manufacturer, factory branch or distributor from requiring or coercing dealers into expanding, constructing or significantly modifying facilities, unless the date of the construction of the facility or the alteration or remodeling at that location was completed more than 10 years ago. The manufacturer or distributor must provide assurances that they will provide a reasonable supply of new vehicles within a reasonable time so as to justify such an expansion or modification. However, none of this applies if the expansion, construction or significant modification is necessary to comply with a health or safety law or to comply with a technology requirement, which is necessary to sell or service the manufacturer's vehicle.

Act 59 of 2018 also provides for temporary permits for vehicle dealers that sell **new** vehicles. When applying for an initial dealer license or a change in location, if the new vehicle dealer does not have the franchise approval letter, the telephone business line information, the certificate of occupancy or the lease or deed for the property available when submitting the application, the new vehicle dealer may obtain a temporary permit. The temporary permit expires at the end of 45 days from the date of closing for the franchise. The new vehicle dealer must provide the missing information before the expiration of the temporary permit. Upon receipt of the missing information, a new dealer license will be issued.