

Stop Sale Recall Statutes

The following 12 states have stop sale recall provisions:

Alabama	Georgia	Oregon
Arizona	Maine	Rhode Island
Colorado	Maryland	Tennessee
Florida	Nevada	Virginia

(Not listed: Alaska, Arkansas, California, Connecticut, District of Columbia, Delaware, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Texas, Utah, Vermont, Washington, West Virginia, Wisconsin and Wyoming)

ALABAMA § 8-20-7.1

1% and 30 Days

Compensation of dealers for recall repairs.

(a) For the purposes of this section, the following words have the following meanings:

(2) STOP-SALE ORDER. A notification issued by a manufacturer to its franchised new motor vehicle dealers stating that certain used vehicles in inventory shall not be sold or leased, at either retail or wholesale, due to a federal safety recall for a defect or a noncompliance, or a federal emissions recall.

(b) A manufacturer shall compensate its new motor vehicle dealers for all labor and parts required by the manufacturer to perform recall repairs. Compensation for recall repairs shall be reasonable. If parts or a remedy are not reasonably available to perform a recall service or repair on a used vehicle held for sale by a dealer authorized to sell and service new vehicles of the same line-make within 30 days of the manufacturer issuing the initial notice of recall, and the manufacturer has issued a Stop-Sale or Do-Not-Drive order on the vehicle, the manufacturer shall compensate the dealer at a prorated rate of at least one percent of the value of the vehicle per month beginning on the date that is 30 days after the date on which the Stop-Sale or Do-Not-Drive order was provided to the dealer until the earlier of either of the following:

(1) The date the recall or remedy parts are made available.

(2) The date the dealer sells, trades, or otherwise disposes of the affected used motor vehicle.

(c) The value of a used vehicle shall be the average trade-in value for used vehicles as indicated in an independent third party guide for the year, make, and model of the recalled vehicle.

(d) This section shall apply only to used vehicles subject to safety or emissions recalls pursuant to and recalled in accordance with federal law and regulations adopted thereunder and where a Stop-Sale or Do-Not-Drive order has been issued and repair parts or remedy remain unavailable for 30 days or longer. This section further shall apply only to new motor vehicle dealers holding an affected used vehicle for sale:

- (1) In inventory at the time the Stop-Sale or Do-Not-Drive order was issued; or
 - (2) Which was taken in the used vehicle inventory of the dealer as a consumer trade-in incident to the purchase of a new vehicle from the dealer after the Stop-Sale or Do-Not-Drive order was issued; and
 - (3) That is a line-make that the dealer is franchised to sell or on which the dealer is authorized to perform recall repairs.
- (e) Subject to the audit provisions of subsection (d) of Section 8-20-7, it shall be a violation of this section for a manufacturer to reduce the amount of compensation otherwise owed to an individual new motor vehicle dealer, whether through a chargeback, removal of the individual dealer from an incentive program, or reduction in amount owed under an incentive program solely because the new motor vehicle dealer has submitted a claim for reimbursement under this section. This subsection shall not apply to an action by a manufacturer that is applied uniformly among all dealers of the same line-make in the state.
- (f) All reimbursement claims made by new motor vehicle dealers pursuant to this section for recall remedies or repairs, or for compensation where no part or repair is reasonably available and the vehicle is subject to a Stop-Sale or Do-Not-Drive order, shall be subject to the same limitations and requirements as a warranty reimbursement claim made under subsection (d) of Section 8-20-7. In the alternative, a manufacturer may compensate its franchised dealers under a national recall compensation program, provided the compensation under the program is equal to or greater than that provided under subsection (b) or as the manufacturer and dealer otherwise agree.
- (g) A manufacturer may direct the manner and method in which a dealer must demonstrate the inventory status of an affected used motor vehicle to determine eligibility under this section, provided that the manner and method may not be unduly burdensome and may not require information that is unduly burdensome to provide.
- (h) Nothing in this section shall require a manufacturer to provide total compensation to a dealer which would exceed the total average trade-in value of the affected used motor vehicle as originally determined under subsection (c).
- (i) Any remedy provided to a dealer under this section is exclusive and may not be combined with any other state or federal recall compensation remedy.

ARIZONA § 28-4451

1.5% and 30 Days

U. A manufacturer shall compensate its new motor vehicle dealers for all labor and parts that are required to perform recall repairs. The compensation shall be fair and reasonable and, at the option of the new motor vehicle dealer, may be determined pursuant to subsection E of this section. If parts or a remedy is not reasonably available to perform a recall service or repair on a used motor vehicle held for sale by the new motor vehicle dealer that is authorized to sell new motor vehicles of the same line-make of the recalled motor vehicle within thirty days after the manufacturer issues a stop-sale or do not drive notification on the used motor vehicle, the manufacturer shall compensate the new motor vehicle dealer at a rate of at least 1.5 percent of the value of the used motor vehicle per month, or prorated

portion of a month when applicable, until a date when the recall parts or remedy are delivered to the dealer or when the vehicle is no longer in the new motor vehicle dealer's inventory.

V. The value of the used motor vehicle that is subject to a stop-sale or do not drive notification shall be the average trade-in value for used vehicles as determined by reference to a nationally recognized publication that reports on used motor vehicle values.

W. It is a violation of this section for a manufacturer to reduce the amount of compensation that is otherwise owed to a new motor vehicle dealer, whether through a chargeback, removal from an incentive program, reduction in amount owed under an incentive program or any other means, because the new motor vehicle dealer has submitted a claim for compensation under subsection U of this section or was otherwise compensated for a vehicle that is subject to a recall if a stop-sale or do not drive notification has been issued.

X. All reimbursement claims that are made by a new motor vehicle dealer pursuant to subsection U of this section for recall remedies or repairs or for compensation if no part or repair is reasonably available and the used motor vehicle is subject to a stop-sale or do not drive notification shall be made in compliance with at least one of the following:

1. In a like manner as a warranty reimbursement claim under this section.
2. At a rate set forth in a national compensation program that the manufacturer manages if the compensation provided to the new motor vehicle dealer equals or exceeds the reimbursement level for a claim that is determined as a warranty reimbursement claim pursuant to paragraph 1 of this subsection.
3. At the level set forth in the national compensation program without further consideration if the manufacturer and new motor vehicle dealer agree.

Y. The manufacturer shall approve or disapprove a claim within thirty days after it is submitted to the manufacturer in the manner and on the forms the manufacturer reasonably prescribes. The manufacturer shall pay a claim within thirty days after approval of the claim. Any claim that is not specifically disapproved in writing by the manufacturer within thirty days following the manufacturer's receipt of the claim is deemed approved.

Z. Subsections U through Y of this section apply only to used motor vehicles that are subject to safety or emissions recalls pursuant to and recalled in accordance with federal law and for which a stop-sale or do not drive notification has been issued and to motor vehicle manufacturers and new motor vehicle dealers with used motor vehicles of the line-make that the new motor vehicle dealer is franchised to sell or on which the new motor vehicle dealer is authorized to perform recall repairs.

AA. Subsections U through Y of this section apply only to new motor vehicle dealers holding an affected used motor vehicle for sale that was any of the following:

1. In inventory at the time the stop-sale or do not drive notification was issued.
2. Taken in the used motor vehicle inventory of the new motor vehicle dealer as a consumer trade-in incident to the purchase of a new motor vehicle from the new motor vehicle dealer after the stop-sale or do not drive notification was issued.

3. Properly taken in the used motor vehicle inventory of the new motor vehicle dealer as a lease return vehicle returned to the new motor vehicle dealer in accordance with the terms of the applicable contract.

BB. For the purposes of this section, "stop-sale or do not drive notification" means a notification that is issued by a manufacturer to some or all of its franchised dealerships and that states that certain used motor vehicles in the dealerships' inventories shall not be sold or leased, either at retail or wholesale, due to a federal safety defect or noncompliance recall or a federal or California emissions recall.

COLORADO §12-6-132.

1.5% and 30 Days

12-6-132. Stop-sale directives - used motor vehicles - definitions

(1) As used in this section, unless the context otherwise requires:

(a) "Average trade-in value" means the value of a used motor vehicle as established by a generally accepted, published, third-party used vehicle resource.

(b) "Stop-sale directive" means an unconditional directive from a manufacturer or distributor to a motor vehicle dealer to stop selling a type of motor vehicle manufactured by the manufacturer or distributed by the distributor because of a safety defect.

(2) A manufacturer or distributor shall reimburse a motor vehicle dealer in accordance with subsection (3) of this section if:

(a) The manufacturer or distributor issues a stop-sale directive for a motor vehicle manufactured or distributed by the issuer of the stop-sale directive;

(b) The motor vehicle dealer holds an active sales, service, and parts agreement with the manufacturer or distributor for the line-make of the used motor vehicle covered by the stop-sale directive;

(c) The used motor vehicle covered by the stop-sale directive is held in the inventory of the motor vehicle dealer on the date the stop-sale directive is issued or taken by the dealer as a trade-in vehicle on a consumer purchase of the same line-make; and

(d) The manufacturer or distributor has not provided a remedy procedure or made parts available to repair the used motor vehicle for more than thirty days after the stop-sale directive is issued.

(3) If the conditions in subsection (2) of this section are met, the manufacturer or distributor shall, upon application by the motor vehicle dealer, pay or credit the dealer one and one-half percent per month of the average trade-in value of the used motor vehicle's model prorated from thirty days after the stop-sale directive was issued to the earlier of:

(a) The date when the manufacturer or distributor provides the motor vehicle dealer with a remedy

procedure and any necessary parts for ordering to repair the used motor vehicle; or

(b) The date the motor vehicle dealer transfers the motor vehicle.

(4) A manufacturer or distributor may determine a reasonable manner and method required for a motor vehicle dealer to demonstrate the inventory status of a used motor vehicle to determine eligibility for reimbursement.

(5) (a) This section applies only to used motor vehicles.

(b) This section is not intended to prevent a manufacturer or distributor from requiring that a motor vehicle not be subject to an open recall or stop-sale directive for the motor vehicle to be qualified or sold as a certified preowned vehicle or substantially similar designation.

(c) This section does not require a manufacturer or distributor to provide total compensation to a motor vehicle dealer that would exceed the total average trade-in valuation of the affected used motor vehicle.

(d) This section does not preclude a motor vehicle dealer and a manufacturer or distributor from agreeing to reimbursement terms that differ from those specified in this section.

(e) Compensation provided to a motor vehicle dealer under this section is exclusive and may not be combined with any other remedy under state or federal law.

FLORIDA § 320.6407

1.5% and 30 Days (on all vehicles, unless OEM tells dealer that vehicle is OK to sell)

Recall notices under franchise agreements; compensation.—

(1) As provided in subsection (3), a licensee that has entered into a franchise agreement with a motor vehicle dealer must compensate the motor vehicle dealer for a used motor vehicle:

(a) That is of the same make and model manufactured, imported, or distributed by the licensee;

(b) That is subject to a recall notice issued by the licensee or an authorized governmental agency, including a recall notice issued before July 1, 2017, regardless of whether the vehicle is identified by its vehicle identification number;

(c) That is held by the motor vehicle dealer in the dealer's inventory at the time the recall notice is issued or that is taken by the motor vehicle dealer into the dealer's inventory after the recall notice as a result of a retail consumer trade-in or a lease return to the dealer inventory in accordance with an applicable lease contract;

(d) That cannot be repaired due to the unavailability, within 30 days after issuance of the recall notice, of a remedy or parts necessary for the motor vehicle dealer to make the recall repair; and

(e) For which the licensee has not issued a written statement to the motor vehicle dealer indicating that the used motor vehicle may be sold or delivered to a retail customer before completion of the recall repair. The purpose of such written statement is to provide notice to the motor vehicle dealer that the vehicle may be sold or delivered based solely on the specific recall notice and is not intended to address any other aspect of the vehicle unrelated to the recall notice.

(2) The licensee shall pay the required compensation within 30 days after the motor vehicle dealer's application for payment. Applications for payment must be submitted monthly, as necessary, through the licensee's existing warranty application system or another system or process established by the licensee which is not unduly burdensome or which does not require information unnecessary for the payment.

(3) Compensation under this section must be the greater of:

(a) Payment at a rate of at least 1.5 percent per month of the motor vehicle value, as determined by the average Black Book value of the corresponding model year vehicle of average condition, of each eligible used motor vehicle in the motor vehicle dealer's inventory for each month that the dealer does not receive a remedy and parts to complete the required recall repair. Such payment must be prorated for any period less than 1 month based on the number of days during the month each eligible used motor vehicle is in the motor vehicle dealer's inventory. Payment shall be calculated from the 31st day after the recall was issued, the 31st day after the vehicle was acquired, or July 1, 2017, whichever is latest.

(b) Payment under a national program applicable to all motor vehicle dealers holding a franchise agreement with the licensee for the motor vehicle dealer's costs associated with holding the eligible used motor vehicles.

(4) For purposes of this section, a licensee does not include a motorcycle manufacturer, distributor, or importer.

GEORGIA § 10-1-641

At least 1% and 30 Days (stop sale and DND)

Dealer's predelivery preparation, warranty service, and recall work obligations to be provided in writing; recovery of costs; "stop-sale" defined

(d) (1) For purposes of this subsection, the term "stop-sale" means a notification issued by a manufacturer to its franchised dealers stating that certain used motor vehicles in inventory shall not be sold or leased, at either retail or wholesale, due to a federal safety recall for a defect or a noncompliance or a federal emissions recall.

(2) A franchisor, manufacturer, or distributor shall compensate its dealers for all labor and parts required by the manufacturer to perform recall repairs. Compensation for recall repairs shall be reasonable. If parts or a remedy are not reasonably available to perform a recall service or repair on a used vehicle held for sale by a dealer authorized to sell and service new motor vehicles of the same line-make within 30 days of the manufacturer issuing the initial notice of recall, and the manufacturer has issued a stop-sale or do not drive order on the vehicle, the manufacturer shall compensate the dealer at a prorated rate of at least 1 percent of the value of the vehicle per month beginning on the date that is

30 days after the date on which the stop-sale or do not drive order was provided to the dealer to the earlier of the date the recall or repair parts or remedy are made available or the date the dealer sells, trades, transfers, or otherwise disposes of the affected used motor vehicle.

(3) The value of a used motor vehicle shall be the average trade-in value for used motor vehicles as indicated in an independent third party guide for the year, make, and model of the recalled vehicle.

(4) This subsection shall apply only to used motor vehicles subject to safety or emissions recalls pursuant to and recalled in accordance with federal law and regulations adopted thereunder and where a stop-sale or do not drive order has been issued and repair parts or remedy remain unavailable for 30 days or longer.

(5) This subsection shall apply only to dealers holding an affected used motor vehicle for sale in inventory at the time a stop-sale or do not drive order is issued or which was taken into the used motor vehicle inventory of the dealer as a consumer trade-in incident to the purchase of a new motor vehicle from the dealer after the stop-sale or do not drive order was issued, and that are a line-make that the dealer is franchised to sell or on which the dealer is authorized to perform recall repairs.

(6) It shall be a violation of this subsection for a manufacturer to reduce the amount of compensation otherwise owed to an individual dealer, whether through a chargeback, removal of the individual dealer from an incentive program, or reduction in amount owed under an incentive program, solely because the dealer has submitted a claim for reimbursement under this subsection. The provisions under this subsection shall not apply to an action by a manufacturer that is applied uniformly among all dealers of the same line-make in this state.

(7) All reimbursement claims made by dealers pursuant to this subsection for recall remedies or repairs, or for compensation where no part or repair is reasonably available and the vehicle is subject to a stop-sale shall be subject to the same limitations and requirements as a warranty reimbursement claim made under this subsection. In the alternative, a manufacturer may compensate its franchised dealers under a national recall compensation program provided the compensation under the program is equal to or greater than that provided under this subsection; or the manufacturer and dealer otherwise agree.

(8) A manufacturer may direct the manner and method in which a dealer must demonstrate the inventory status of an affected used motor vehicle to determine eligibility under this subsection, provided that the manner and method may not be unduly burdensome and may not require information that is unduly burdensome to provide.

(9) Nothing in this subsection shall require a manufacturer to provide total compensation to a dealer which would exceed the total average trade-in value of the affected used motor vehicle as originally determined under paragraph (3) of this subsection.

(10) Any remedy provided to a dealer under this subsection is exclusive and may not be combined with any other state or federal recall compensation remedy.

MAINE § 1174

1.5% Used; 1.0% New 30 Days

The following acts shall be deemed unfair methods of competition and unfair and deceptive practices. It shall be unlawful for any:

C-4. To fail to compensate a motor vehicle dealer for a used motor vehicle that is subject to a do not drive order or stop sale order as required by this paragraph, if the dealer holds a franchise of the same line make as the vehicle.

(1) If a used motor vehicle is subject to a do not drive order or stop sale order and a remedy or part necessary to repair the used motor vehicle is not available within 30 days, the manufacturer shall compensate a motor vehicle dealer for each affected used motor vehicle in the inventory of the dealer at a prorated rate of at least 1.5% of the value of the used motor vehicle per month, commencing on the 30th day after the order was issued and ending on the date that the remedy and all parts necessary to repair or service the used motor vehicle are made available to the dealer. A manufacturer is not required by this subparagraph to pay more than the total value of the used motor vehicle to a motor vehicle dealer.

(2) A used motor vehicle is considered to be part of the inventory of the motor vehicle dealer under subparagraph 1 if the used motor vehicle is in the possession of the dealer on the date the do not drive order or stop sale order is issued or if the dealer obtains the used motor vehicle as a result of a trade-in or a lease return after the date that the order is issued but before the remedy and all parts necessary to repair the used motor vehicle are made available to the dealer. The manufacturer may establish the method by which a motor vehicle dealer demonstrates that an affected motor vehicle is part of the inventory of the dealer as described in this subparagraph. The method may not be unreasonable, be unduly burdensome or require the motor vehicle dealer to provide information to the manufacturer that is not necessary for payment.

(3) A manufacturer may not reduce compensation to a motor vehicle dealer, process a charge back to a dealer, reduce the amount that the manufacturer owes a dealer under an incentive program or remove a dealer from an incentive program in response to the dealer submitting a claim or receiving compensation pursuant to this paragraph. This subparagraph does not prohibit a manufacturer from modifying or discontinuing an incentive program prospectively or from making ordinary business decisions.

(4) As used in this paragraph, the following terms have the following meanings.

(a) "Do not drive order" means a notice issued by the Federal Government or a manufacturer advising a motor vehicle dealer or owner of a motor vehicle not to drive the vehicle until the vehicle has been repaired because the vehicle has a safety defect, fails to comply with a federal motor vehicle safety standard, fails to comply with a federal emissions standard or fails to comply with an emissions standard adopted pursuant to Title 38, chapter 4.

(b) "Stop sale order" means a notice issued by the Federal Government or a manufacturer prohibiting a motor vehicle dealer from leasing or selling and delivering at wholesale or retail a motor vehicle in the inventory of the dealer until the vehicle has been repaired because the vehicle has a safety defect, fails to comply with a federal motor vehicle safety standard, fails to comply with a federal emissions standard or fails to comply with an emissions standard adopted pursuant to Title 38, chapter 4.

(c) "Value of the used motor vehicle" means the average trade-in value indicated in an independent 3rd-party guide for a used motor vehicle of the same year, make, model and mileage;

C-5. To use any data, calculations or statistical determinations of the sales performance of a motor vehicle dealer for any purpose for any period of time during which the dealer has at least 5% of its total new and used motor vehicle inventory subject to a stop sale order or do not drive order. For purposes of this paragraph, "stop sale order" and "do not drive order" have the same meaning as in paragraph C-4;

MARYLAND §15–311.

1% Per Month or Portion of Month

(c) If a licensee issues a stop sale directive applicable to a used vehicle manufactured by the licensee to a dealer that holds a franchise from the licensee and there are no remedies or parts available to fix the motor vehicle, the licensee shall compensate the dealer by: (1) Providing payment to the dealer at a rate of at least 1% per month or portion of a month of the value of the vehicle; or (2) Compensating the dealer under a national program that is applicable to all dealers holding a franchise from the licensee for the dealer's costs associated with the stop sale directive. (d) When a vehicle arrives for delivery, the dealer shall advise the buyer of any extra items ordered by the buyer that are not on the vehicle.

NEVADA § 482

1% and 30 Days

1. If a manufacturer issues a recall and either a stop-sale order or a do-not-drive order on a used vehicle and parts or a remedy are not available to perform a recall service or repair on the vehicle within 30 days after issuing the recall, a new vehicle dealer that is franchised to sell and service new vehicles of the manufacturer is entitled to compensation from the manufacturer and may file a claim with the manufacturer for each used vehicle subject to the recall which the dealer:

(a) Has in its used vehicle inventory on the date on which the stop-sale order or do-not-drive order is issued; or

(b) Takes into its used car inventory as a consumer trade-in related to the sale of a new vehicle after the date on which the stop-sale order or do-not-drive order is issued.

2. A claim for compensation that is filed by a new vehicle dealer pursuant to this section:

(a) Must be in a form prescribed by the manufacturer. The manufacturer may prescribe the manner in which a dealer must demonstrate eligibility for such compensation, including, without limitation, the documentation required to show the inventory status of a used vehicle, provided that the demonstration of eligibility or the providing of documentation is not unduly burdensome.

(b) Except as otherwise provided in subsection 5, is subject to the provisions of NRS 482.36385.

3. Except as otherwise provided in subsections 4 and 5, compensation for a used vehicle pursuant to this section must be calculated at a rate of not less than 1 percent of the value of the used vehicle per month, beginning 30 days after the date on which the stop-sale order or do-not-drive order is provided to the dealer and continuing until the earlier of the date:

(a) The parts or a remedy for the recall service or repair are made available to the dealer; or

(b) The dealer sells, trades or otherwise disposes of the used vehicle.

4. Compensation due to a new vehicle dealer pursuant to subsection 1 is limited to an amount equal to the value of the used vehicle for which the compensation is paid.

5. A manufacturer, in lieu of compensating a new vehicle dealer pursuant to subsection 3, may:

(a) Compensate the dealer pursuant to a national recall compensation program, if the amount of compensation owed to the dealer under the program is not less than the amount of compensation owed to the dealer pursuant to subsection 3; or

(b) Enter into an agreement with the dealer for an alternative form or amount of compensation.

6. A manufacturer may not take any action to offset or reduce the amount of compensation owed to a new vehicle dealer pursuant to this section, including, without limitation, through a chargeback program, any reduction in an amount owed to the new vehicle dealer under an incentive program or the removal of the new vehicle dealer from an incentive program, if such action is taken, in whole or in part, because the new vehicle dealer filed a claim for compensation pursuant to this section. This subsection:

(a) Does not apply to any action taken by a manufacturer that is applied uniformly to all new vehicle dealers of the same line and make of vehicles in this State; and

(b) Is subject to the audit provisions of subsections 7 and 8 of NRS 482.36385.

7. Except as otherwise provided in subsection 5 and NRS 482.36385, any compensation provided to a new vehicle dealer pursuant to this section is exclusive and may not be combined with any other state or federal recall compensation remedy.

8. As used in this section:

(a) "Do-not-drive order" means a notification issued by a manufacturer to its dealers or to the registered owner of a used vehicle or by the National Highway Traffic Safety Administration to the registered owner of a used vehicle stating that the vehicle is subject to a federal safety recall for a defect or noncompliance and including an unconditional instruction to the recipient of the notification to not drive the vehicle until the remedy for the recall is complete.

(b) "Recall" means a safety recall of a vehicle in accordance with federal law and any regulations adopted thereunder.

(c) "Stop-sale order" means a notification issued by a manufacturer to its dealers stating that a used vehicle in inventory must not be sold or leased, either retail or wholesale, because of a federal safety recall for a defect or noncompliance or because of a federal emissions recall.

(d) "Value of the used vehicle" means the average trade-in value of the year, make and model of the subject used vehicle as indicated in an independent third-party guide.

OREGON § 650.120

1.5% and 30 Days

(1) As used in this section:

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

(b) "Stop sale order" means a notice in which a manufacturer prohibits a franchisee from leasing or selling at wholesale or retail a used vehicle in the franchisee's inventory because of a federal recall for a safety defect or a failure to comply with a federal safety standard or a federal emissions standard.

(c) "Valuation" means the average trade-in value shown in an independent third-party guide for the year, make and model of a used vehicle.

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

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

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

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

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

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

(D) If the dealer had the used vehicle in the dealer's inventory at the time the manufacturer issued the do not drive order or stop sale order or if the dealer received the used vehicle as a trade-in as part of a consumer's purchase of a new vehicle after the manufacturer issued the do not drive order or stop sale order;

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

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

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

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

(c) A manufacturer may direct the manner and method by which a dealer must demonstrate that the dealer had a used vehicle that was subject to a recall in the dealer's inventory as required under paragraph (b)(D) of this subsection. The manufacturer may not require a demonstration that is

unreasonable or unduly burdensome or require information that is unreasonably or unduly burdensome for the dealer to provide.

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

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

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

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

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

(b) This subsection does not prohibit a manufacturer from modifying or discontinuing an incentive program or other program prospectively or from making ordinary business decisions.

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

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

RHODE ISLAND § 31-5.1-6.1

1.5% and 30 Days

(a) A manufacturer shall compensate its new motor vehicle dealers for all labor and parts required by the manufacturer to perform recall repairs. Compensation for recall repairs shall be at the dealer retail rate in effect at the time the recall repair work is performed. The dealer retail rate for parts and labor shall be at the same rates as those provided for under §31-5.1-6. If parts or a remedy are not reasonably available to perform a recall service or repair on a used vehicle held for sale by the dealer authorized to sell new vehicles of the same line make within thirty (30) days of the manufacturer issuing the initial notice of recall and the manufacturer has issued a "Stop- Sale", or "Do-Not-Drive", order on the vehicle, the manufacturer shall compensate the dealer at a rate of at least one and one-half percent (1.5%) of the value of the vehicle per month, or portion of a month, while the recall or remedy parts are unavailable and the "Stop-Sale", or "Do-Not- Drive", order remains in effect. A "Stop-Sale" shall be defined as a notification issued by a vehicle manufacturer to its franchised dealerships stating that certain used vehicles in inventory shall not be sold or leased, at retail and/or wholesale, due to a federal safety recall for a defect or a noncompliance, or a federal or California emissions recall.

(b) The value of a used vehicle shall be the average trade-in value for used vehicles as indicated in an independent third-party guide for the year, make, model, and mileage of the recalled vehicle on the later of:

(1) The date the "Stop-Sale" or "Do-Not-Drive" order was issued; or

(2) The date the vehicle is taken in the used motor vehicle inventory.

(c) This section shall apply only to used vehicles subject to safety or emissions recalls pursuant to and recalled in accordance with federal law and regulations adopted thereunder and where a "Stop-Sale", or "Do-Not-Drive", order has been issued; provided, further, that this section shall apply only to new motor vehicle dealers holding used vehicles for sale that are a line-make that the dealer is franchised to sell or on which the dealer is authorized to perform recall repairs. This section further shall apply only to new motor vehicle dealers holding an affected used motor vehicle for sale that was:

(1) In inventory at the time the "Stop-Sale" or "Do-Not-Drive" order was issued;

(2) Taken in the used motor vehicle inventory of the new motor vehicle dealer as a consumer trade-in incident to the purchase of a new motor vehicle before or after the "Stop-Sale" or "Do-Not-Drive" order was issued; or

(3) Properly taken in the used motor vehicle inventory of the new motor vehicle dealer as a lease return vehicle returned to the new motor vehicle dealer before or after the "Stop-Sale" or "Do-Not-Drive" order was issued in accordance with the terms of the applicable contract.

(d) It shall be a violation of this section for a manufacturer to reduce the amount of compensation otherwise owed to a new motor vehicle dealer, whether through a chargeback, removal from an incentive program, reduction in amount owed under an incentive program, or any other means, because the new motor vehicle dealer has submitted a claim for reimbursement under this section, or was otherwise compensated for a vehicle subject to a recall where a "Stop-Sale", or "Do-Not-Drive", order has been issued.

(e) All reimbursement claims made by new motor vehicle dealers pursuant to this section for recall remedies or repairs, or for compensation where no part or repair is reasonably available and the vehicle is subject to a "Stop-Sale", or "Do-Not-Drive", order, shall be subject to the same limitations and requirements as a warranty reimbursement claim made under §31-5.1-6. Claims shall be either approved or disapproved within thirty (30) days after they are submitted to the manufacturer in the manner and on the forms the manufacturer reasonably prescribes. All claims shall be paid within thirty (30) days of approval of the claim by the manufacturer. Any claim not specifically disapproved in writing within thirty (30) days after the manufacturer receives a properly submitted claim shall be deemed to be approved. In the alternative, a manufacturer may compensate its franchised dealers under a national recall compensation program provided the compensation under the program is equal to or greater than that provided under subsection (a) of this section or the manufacturer and dealer otherwise agree.

(f) Nothing in this section shall require a manufacturer to provide total compensation to a new motor vehicle dealer which would exceed the total average trade-in value of the affected used motor vehicle as determined under §31-5.1-6.1(b).

(g) Any remedy provided to a dealer under this section is exclusive and may not be combined with any other state recall compensation remedy.

TENNESSEE § 55-54-102

1% and 30 Days

For purposes of this chapter:

(1) "Do-not-drive recall" means a recall notice provided to owners of affected vehicles, pursuant to 49 U.S.C. § 30119, when the vehicle manufacturer, in its consumer precautionary advice section governed by 49 CFR 577.5, unconditionally instructs the owner to stop driving the vehicle until the noncompliance or defect remedy is performed;

(6) "Recall database" means a database from which an individual may obtain vehicle identification number (VIN) manufacturer's safety recall information relevant to a specific motor vehicle, including, but not limited to, www.safercar.gov;

(7) "Recall database report" means a report, specific to a vehicle that is identified by its vehicle identification number (VIN), containing information obtained from a recall database;

(9) "Stop-sale order" means a notification issued by a manufacturer to its franchised motor vehicle dealers stating that certain used vehicles in inventory shall not be sold or leased, at retail, due to a federal safety recall for a defect or a noncompliance, or a federal emissions recall; and

(10) "Used motor vehicle" means a motor vehicle having a gross vehicle weight rating (GVWR) of ten thousand pounds (10,000 lbs.) or less that has been the subject of a sale at retail to the general public.

§ 55-54-103.

(a) A motor vehicle dealer shall not sell at retail a used motor vehicle until the motor vehicle dealer has obtained a recall database report for the used motor vehicle. The recall database report shall not be older than forty-eight (48) hours prior to the sale of the used motor vehicle. This chapter does not apply to any wholesale transfers of a motor vehicle between dealers licensed in this state, motor vehicle dealers similarly licensed in other states, automobile auctions, and manufacturers.

(b) If a recall database report obtained by a motor vehicle dealer indicates that a used motor vehicle is subject to a do-not-drive recall or a stop-sale order, the dealer shall not sell the used motor vehicle at retail until the do-not-drive or stop-sale recall repair has been made.

(c)

(1) If a recall database report obtained by a dealer indicates that a used motor vehicle is subject to a manufacturer's safety recall other than a used motor vehicle subject to a do-not-drive or stop-sale order that has not been repaired, the dealer shall not sell the used motor vehicle at retail unless the dealer makes the recall repair or both of the following are satisfied:

(A) The dealer discloses the manufacturer's safety recall by providing a copy of the recall database report to the consumer prior to the sale of the used motor vehicle; and

(B) The consumer signs a disclosure acknowledging that the used motor vehicle has a manufacturer's safety recall that has not been repaired.

(2) To comply with subdivision (c)(1)(B), a recall database report that indicates the used motor vehicle is subject to a manufacturer's safety recall and the recall repair has not been made shall be disclosed to the consumer in a document that is signed by the consumer and is separate from the conditional sales contract or other motor vehicle purchase agreement.

(3) The recall database disclosure form required by subdivision (c)(2) shall be provided to the consumer as a separate document, be labeled at the top of the first page with the word "RECALL" in boldface and no smaller than twenty-eight (28) point font size, and contain the following:

DISCLOSURE OF RECALL INFORMATION

VEHICLE: MAKE: _____ MODEL: _____

YEAR: _____ VIN: _____

For your safety we have performed a recall search on the website of the National Highway Traffic Safety Administration (NHTSA) (www.safercar.gov). The results of that search and the date it was performed are attached to this notice.

It is our information that the recall repairs have not been performed.

You must also be aware that the manufacturer of this vehicle may have "campaigns" or "service bulletins" regarding this vehicle that you should check through either www.safercar.gov or the manufacturer's website. The NHTSA website may not be up to date, so you need to periodically check.

Date: _____

Customer: _____

Print Name: _____

Date: _____

Co-Buyer: _____

Print Name: _____

Date: _____

Dealer: _____

Print Name: _____

(4) Compliance with this section shall not be waived by any consumer.

(5) The execution or signing of a Disclosure of Recall Information form by a purchaser of a used motor vehicle and the executed form itself shall not be admitted as evidence in any products liability case against the manufacturer.

§ 55-54-104.

(a) A manufacturer shall compensate its franchised motor vehicle dealers for all labor and parts required by the manufacturer to perform recall repairs. Compensation for recall repairs shall be reasonable. If parts or a remedy are not reasonably available to perform a recall service or repair on a used vehicle held for sale by a dealer authorized to sell and service new vehicles of the same line-make within thirty (30) days of the manufacturer issuing the initial notice of recall, and the national highway traffic safety administration (NHTSA) or the manufacturer has issued a stop-sale or do-not-drive order on the vehicle, the manufacturer shall compensate the dealer at a prorated rate of at least one percent (1%) of the value of the vehicle per month beginning on the date that is thirty (30) days after the date on which the stop-sale or do-not-drive order was provided to the dealer until the earlier of either of the following:

(1) The date the recall or remedy parts are made available; or

(2) The date the dealer sells, trades, or otherwise disposes of the affected used motor vehicle.

(b) The value of a used vehicle shall be the average trade-in value for used vehicles as indicated in an independent third-party guide for the year, make, and model of the recalled vehicle.

(c) This section shall apply only to used vehicles subject to safety or emissions recalls pursuant to and recalled in accordance with federal law and regulations adopted thereunder and where a stop-sale or do-not-drive order has been issued and repair parts or remedy remain unavailable for thirty (30) days or longer. This section further shall apply to franchised motor vehicle dealers holding an affected used vehicle for sale that is a line-make that the dealer is franchised to sell or on which the dealer is authorized to perform recall repairs:

(1) In inventory at the time the stop-sale or do-not-drive order was issued; or

(2) Which was taken in the used vehicle inventory of the dealer as a consumer trade-in incident to the purchase of a new vehicle from the dealer after the stop-sale or do-not-drive order was issued.

(d) It shall be a violation of this chapter for a manufacturer to reduce the amount of compensation otherwise owed to an individual franchised motor vehicle dealer whether through a chargeback, removal of the individual dealer from an incentive program, or reduction in amount owed under an incentive program solely because the franchised motor vehicle dealer has submitted a claim for reimbursement under this section. This subsection (d) shall not apply to an action by a manufacturer that is applied uniformly among all dealers of the same line-make in the state.

(e) All reimbursement claims made by franchised motor vehicle dealers pursuant to this section for recall remedies or repairs, or for compensation where no part or repair is reasonably available and the vehicle is subject to a stop-sale or do-not-drive order shall be subject to the same limitations and requirements as a warranty and sale incentive reimbursement claim pursuant to the rules of the Tennessee motor vehicle commission. In the alternative, a manufacturer may compensate its franchised dealers under a national recall compensation program; provided, that the compensation under the program is equal to or greater than that provided under subsection (a); or as the manufacturer and dealer may otherwise agree.

(f) A manufacturer may direct the manner and method in which a dealer must demonstrate the inventory status of an affected used motor vehicle to determine eligibility under this section; provided,

that the manner and method shall not be unduly burdensome and shall not require information that is unduly burdensome to provide.

(g) Nothing in this section shall require a manufacturer to provide total compensation to a dealer which would exceed the total average trade-in value of the affected used motor vehicle as originally determined under subsection (b).

(h) Any remedy provided to a dealer under this section is exclusive and may not be combined with any other state or federal recall compensation remedy.

VIRGINIA § 46.2-1569.

1% 30 Days

Notwithstanding the terms of any franchise agreement, it shall be unlawful for any manufacturer, factory branch, distributor, distributor branch, or affiliate, or any field representative, officer, agent, or their representatives to do any of the following. It shall further be unlawful for any manufacturer, factory branch, distributor, distributor branch, or any field representative, officer, agent, or their representatives to engage in conduct prohibited under this section through an affiliate.

2d. To coerce or require any dealer, whether by agreement, program, incentive provision, or provision for loss of incentive payments or other benefits, to refrain from selling any used motor vehicle subject to (i) recall, (ii) stop sale directive, (iii) technical service bulletin, or (iv) other manufacturer, factory branch, distributor, or distributor branch notification to perform work on such used motor vehicle, unless the manufacturer, factory branch, distributor, or distributor branch has a remedy and parts available to the dealer to remediate the basis for the coercion or requirement of the dealer to refrain from selling each affected used motor vehicle. If there is no remedy or there are no parts available from the manufacturer, factory branch, distributor, or distributor branch to remediate each affected used motor vehicle in the inventory of the dealer, the manufacturer, factory branch, distributor, or distributor branch shall (a) compensate the dealer for any affected used motor vehicle in the inventory of the dealer that it cannot sell because of such coercion or requirement at least one percent a month or any part thereof of the cost of such used motor vehicle, including repairs and reconditioning expenses based on the financial records of the dealer, and (b) establish a written procedure to compensate dealers under this subdivision that it shall provide to dealers subject to its coercion or requirement and file with the Commissioner as a franchise document pursuant to § 46.2-1566.

Any claim for compensation by a dealer shall be submitted on a monthly basis for the amount owed pursuant to this subdivision. The manufacturer, factory branch, distributor, or distributor branch shall process and pay the claim in the same manner as a claim for warranty reimbursements as provided in § 46.2-1571. This subdivision shall not prevent a manufacturer, factory branch, distributor, or distributor branch from (1) requiring that a motor vehicle not be subject to an open recall or stop sale directive in order to be qualified, remain qualified, or be sold as a certified pre-owned vehicle or similar designation; (2) paying incentives for selling used vehicles with no unremedied recalls; or (3) paying incentives for performing recall repairs on a vehicle in the dealer's inventory.

Nothing in this subdivision shall prevent a manufacturer, factory branch, distributor, or distributor branch from instructing that a dealer repair used vehicles of the line-make for which the dealer holds a

franchise with an open recall, provided that the instruction does not involve coercion that imposes a penalty or provision of loss of benefits on the dealer.