

Changes to Motor Vehicle Franchise Laws

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Issue Date: January 22, 2024

New Information

Effective January 1, 2024, Assembly Bill 473 (Aguiar-Curry, Ch. 332, Stats. 2023) expands the authority of the New Motor Vehicle Board (NMVB) to hear and decide certain protests presented by a motor vehicle franchisee regarding a dispute with the vehicle manufacturer. Additionally, various changes are made to the motor vehicle franchise laws, including but not limited to:

- Prohibiting a manufacturer from competing with their franchisees under certain circumstances, including when launching a new line of motor vehicles.
- Prohibiting a manufacturer from offering a post-sale subscription service for any feature already installed on the motor vehicle at the time of purchase.
- Requiring a manufacturer to use objective criteria and adopt a transparent process when implementing a vehicle reservation system.
- Mandating specific requirements for manufacturers implementing programs that require franchisees to install direct current (DC) fast charging stations, including but not limited to:
 - Preventing manufacturers from transferring full costs of public-facing DC fast charging stations to dealers.
 - Authorizing a franchisee to use incentives and utility rate plans to minimize installation costs.
 - Requiring consideration of local conditions, supply and time constraints, technological advancements, and electric grid integration.

Background

The Department of Motor Vehicles (DMV) wants to notify the automotive industry of new laws taking effect January 1, 2024.

Reference

Assembly Bill 473 (Aguiar-Curry, Ch. 332, Stats. 2023)

Distribution

Notification of this memo (available at dmv.ca.gov under Vehicle Industry Services) was made via the California DMV Automated Email Alert System in January 2024 to the following:

- Vehicle Dealers
- Vehicle Manufacturers
- Vehicle Distributors

Contact

For questions regarding this memo, call (916) 229-3126 and say, “industry memo.”