

1.1 moves to amend H.F. No. 740 as follows:

1.2 Page 1, line 15, before the period insert "if applicable"

1.3 Page 1, line 17, delete "and maintenance"

1.4 Page 1, line 20, delete "shall" and insert "may"

1.5 Page 1, line 23, delete "60" and insert "90"

1.6 Page 2, line 14 before "part" insert "new"

1.7 Page 3, line 3, delete "required" and insert "permitted"

1.8 Page 4, line 2, delete ": (1)"

1.9 Page 4, line 3, delete everything after "warranty" and insert a period

1.10 Page 4, delete lines 4 to 6

1.11 Page 4, delete section 2 and insert:

1.12 "Sec. 2. **[80E.045] RECALL REPAIRS; MANUFACTURER AND DEALER**

1.13 **OBLIGATIONS.**

1.14 Subdivision 1. **Requirements.** (a) A manufacturer shall compensate its new motor
1.15 vehicle dealers for all labor and parts required to perform recall repairs. Compensation for
1.16 recall repairs must be fair and reasonable and be consistent with section 80E.041. If parts
1.17 or a remedy are not reasonably available to perform a recall service or repair on a vehicle
1.18 held for sale by a dealer authorized to sell new motor vehicles of the same line make within
1.19 15 days of the manufacturer issuing the initial notice of recall, and the manufacturer has
1.20 issued a stop-sale or do-not-drive order on the vehicle, the manufacturer shall compensate
1.21 the dealer at a pro-rated rate of at least 1.75 percent of the value of the vehicle per month,
1.22 while the recall or remedy parts are unavailable and the stop-sale or-do-not-drive order
1.23 remains in effect.

2.1 (b) A stop-sale or do-not-drive order means a notification issued by a vehicle
2.2 manufacturer to its franchised dealerships stating that certain used vehicles in inventory
2.3 should not be sold or leased at retail or wholesale, due to a federal safety recall for a defect,
2.4 a noncompliance recall, or a federal emissions recall.

2.5 Subd. 2. **Value of vehicle.** The value of a used vehicle is the average trade-in value for
2.6 used vehicles as indicated in an independent third-party guide for the year, make, model,
2.7 and mileage of the recalled vehicle.

2.8 Subd. 3. **Application.** This section applies only to: (1) used vehicles subject to safety
2.9 or emissions recalls pursuant to and recalled in accordance with federal law and regulations
2.10 adopted thereunder and where a stop-sale or do-not-drive order has been issued; and (2)
2.11 new motor vehicle dealers holding used vehicles for-sale that are a line-make that the dealer
2.12 is franchised to sell or which the dealer is authorized to perform recall repairs.

2.13 Subd. 4. **Violations.** It is a violation of this section for a manufacturer to reduce the
2.14 amount of compensation otherwise owed to a new motor vehicle dealer, whether through
2.15 a charge back, removal from an incentive program, reduction in amount owed under an
2.16 incentive program, or any other means, because the new motor vehicle dealer has submitted
2.17 a claim for reimbursement under this section or was otherwise compensated for a vehicle
2.18 subject to a recall where a stop-sale or do-not-drive order has been issued.

2.19 Subd. 5. **Payment of claims.** (a) All reimbursement claims made by new motor vehicle
2.20 dealers pursuant to this section for recall remedies or repairs, or for compensation where
2.21 no part or repair is reasonably available and the vehicle is subject to a stop-sale or
2.22 do-not-drive order must be subject to the same limitations and requirements as a warranty
2.23 reimbursement claim made under section 80E.041. Claims must be either approved or
2.24 disapproved within 30 days after they are submitted to the manufacturer in the manner and
2.25 on the forms the manufacturer reasonably prescribes. All claims shall be paid within 30
2.26 days of approval of the claim by the manufacturer. Any claim not specifically disapproved
2.27 in writing within 30 days after the manufacturer receives them shall be deemed to be
2.28 approved.

2.29 (b) As an alternative to paragraph (a), a manufacturer may compensate its franchised
2.30 dealers under a national recall compensation program provided the compensation under the
2.31 program is equal to or greater than that provided under subdivision 1 or the manufacturer
2.32 and dealer otherwise agree."

2.33 Page 5, line 19, delete "it proves that"

- 3.1 Page 5, line 21, delete everything after "standards" and insert "or does not meet the
3.2 franchisor's"
- 3.3 Page 5, line 22, delete everything before "uniformly"
- 3.4 Page 5, line 23, after "standards" insert "to be a franchised new motor vehicle dealer"
- 3.5 Page 5, line 23, delete "in the market area"
- 3.6 Page 5, line 25, delete "analysis" and insert "explanation"
- 3.7 Page 5, line 27, delete "60" and insert "90"
- 3.8 Page 5, line 30, delete "60" and insert "90"
- 3.9 Page 6, line 2, after the period insert "Notwithstanding the foregoing, the franchisor
3.10 shall not be required to accept a successor approved or deemed approved under this section
3.11 if the franchisor can demonstrate that the proposed successor, at the time of succession,
3.12 would result in executive management control by a person who is not of good moral
3.13 character, or who does not meet the franchisor's existing reasonable capital standards, or
3.14 does not meet the franchisor's uniformly applied minimum business experience standards
3.15 to be a franchised new motor vehicle dealer."
- 3.16 Page 9, line 30, delete "with reasonable clarity"
- 3.17 Page 9, line 33, delete "including all of the elements used to determine such"
- 3.18 Page 9, line 34, delete "objective, standard, incentive, or target"
- 3.19 Page 10, line 10 delete "or projected future"
- 3.20 Page 10, line 21 delete "or projected future"
- 3.21 Page 10, delete lines 24 to 28
- 3.22 Page 10, line 29, delete "(2)" and insert "(1)"
- 3.23 Page 10, line 29, delete "present and future projected"
- 3.24 Page 10, line 29, delete "and drive times"
- 3.25 Page 10, line 32, delete "(3)" and insert "(2)"
- 3.26 Page 10, line 32 delete "historical and projected future"
- 3.27 Page 11, line 1, delete "(4)" and insert "(3)"
- 3.28 Page 11, delete lines 3 to 11
- 3.29 Page 11, line 12, delete "(7)" and insert "(4)"

- 4.1 Page 11, line 14, delete "(8)" and insert "(5)"
- 4.2 Page 11, delete line 17
- 4.3 Page 11, line 18, delete "(10)" and insert "(6)"
- 4.4 Page 12, line 4 delete "20" and insert "10"
- 4.5 Page 12, line 10, after "section" insert "80E.041, 80E.045, "
- 4.6 Renumber the sections in sequence and correct the internal references