

HOUSE RESEARCH

Bill Summary

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Authors: Davids and others

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Analyst: Linda Holmes, 296-5059

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Overview

This bill makes changes to the provisions relating to unfair practices by automobile manufacturers, distributors, and factory branches.

1 **Unfair practices by manufacturers, distributors, factory branches.** Changes existing definitions of certain unfair practices.

Provides that a manufacturer, distributor, or factory branch having an ownership interest in a dealership of the same line make constitutes competing with a dealer.

Current law provides that it is an unfair practice to compete with a new motormotor vehicle dealer in the same market area. New language extends the limit on competition to the entire state of Minnesota.

Narrows a current exception permitting temporary ownership during transfer of the dealership to an independent dealer.

Provides that it is an unfair practice not to make certain models in a line available to a franchised dealer. Has an exemption if failure to offer a model is not arbitrary and is due to a lack of manufacturing capacity, a strike, labor difficulty, or other cause not under the control of the manufacturer, distributor, or factory branch.

Provides that a manufacturer, distributor, or factory branch need not modify an existing ownership interest in a dealership in place on the effective date of the section.

2 **Notification; protest; hearing.** Provides that a manufacturer establishing or approving a new service or parts location is subject to review as possible competition, as is a new sales location.

Allows 30 days rather than the current 15 days to bring a civil action to challenge establishing or relocating a new dealership.

3 **Effective date.** Provides that sections 1 to 3 are effective the day following final enactment.