



574686

CHAMBER ACTION

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| <u>Senate</u> | . | <u>House</u> |
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| Comm: WD | . | |
| 4/15/2008 | . | |
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1 The Committee on Regulated Industries (Aronberg) recommended the
2 following **amendment**:

Senate Amendment

Delete line(s) 68-102

and insert:

7 (b) A license may, however, provide to a motor vehicle
8 dealer a commitment to allocate additional vehicles or a loan or
9 grant of money as an inducement for the motor vehicle dealer to
10 relocate, expand, improve, remodel, alter, or renovate its
11 facilities if the licensee delivers an assurance to the dealer
12 that it will offer to supply to the dealer a sufficient quantity
13 of new motor vehicles, consistent with its allocation obligations
14 at law and to its other same line-make motor vehicle dealers,
15 that will economically justify such relocation, expansion,
16 improvement, remodeling, renovation, or alteration, in light of
17 reasonably current and reasonably projected market and economic



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18 conditions. The provisions of the increase in vehicle allocation,
19 the loan or grant and the assurance, and the basis for them must
20 be contained in a written agreement voluntarily entered into by
21 the dealer and must be made available, on substantially similar
22 terms, to the licensee's other same line-make dealers in this
23 state.

24 (c) A licensee shall not withhold a bonus, incentive, or
25 other benefit that is available to its other same line-make
26 franchised dealers in this state from, or take or threaten to
27 take any action that is unfair or adverse to a dealer who does
28 not enter into an agreement with the licensee pursuant to
29 paragraph (b).

30 (d) A licensee may not refuse to offer a program, bonus,
31 incentive, or other benefit, in whole or in part, to a dealer in
32 this state which it offers to its other same line-make dealers
33 nationally or in the licensee's zone or region in which this
34 state is included. Neither may it discriminate against a dealer
35 in this state with respect to any program, bonus, incentive, or
36 other benefit. For purposes of this chapter, a licensee may not
37 establish this state alone as a zone, region, or territory by any
38 other designation.

39 (e) Paragraphs (a) or (b) do not affect any contract
40 between a licensee and any of its dealers regarding relocation,
41 expansion, improvement, remodeling, renovation, or alteration
42 which exists on the effective date of this act.

43 (f) Any portion of a licensee-offered program for a bonus,
44 incentive, or other benefit that, in whole or in part, is based
45 upon or aimed at inducing a dealer's relocation, expansion,
46 improvement, remodeling, renovation, or alteration is void for
47 each of the licensee's dealers in this state who nevertheless are



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48 eligible for the entire amount of the bonus, incentive, or
49 benefit offered in the program upon compliance with the other
50 bases or eligibility provisions in the program.

51 (g) A licensee may set and uniformly apply reasonable
52 standards for a motor vehicle dealer's sales and service
53 facilities which are related to upkeep, repair, and cleanliness.