

REVENUE: No revenue impact

FISCAL: No fiscal impact

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	6 - 0 - 0
<b>Yeas:</b>	Atkinson, Burdick, Edwards, Girod, Starr, Beyer
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Richard Berger, Administrator
<b>Meeting Dates:</b>	4/7, 4/11

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**WHAT THE MEASURE DOES:** Prohibits a manufacturer, distributor or importer of motor vehicles from requiring franchisee to enter into site-control agreement. Prohibits a manufacturer, distributor or importer of motor vehicles from taking action against a franchisee due to the franchisee having a franchise agreement with another manufacturer, distributor or importer of motor vehicles.

**ISSUES DISCUSSED:**

- Measure is an agreement between automobile manufactures and automotive dealers
- Issues with site-control agreements made evident during economic downturn

**EFFECT OF COMMITTEE AMENDMENT:** Prohibits a manufacturer, distributor or importer of motor vehicles from taking action against a franchisee due to the franchisee having a franchise agreement with another manufacturer, distributor or importer of motor vehicles.

**BACKGROUND:** Senate Bill 775 A defines the term “site-control agreement.” In the general marketplace, a site-control agreement is between a dealer and manufacturer, used in the automotive industry to give the manufacturer certain control over the dealership site. This can include limiting who the land can be sold to or inclusion of a provision which allows the manufacturer to buy the land from the dealer if the dealership agreement is terminated.