



SUPPORT SF 2663 (Scheid)/ HF 2902 (Atkins)

1. This bill creates a lifeline for auto dealers terminated due to GM and Chrysler Bankruptcies.

GM and Chrysler terminated 60 Minnesota dealerships as part of their 2009 bankruptcies; GM has since indicated plans to reinstate 24 of those dealers, leaving 36 businesses unfairly destroyed.

Under the provisions of SF 2663/HF 2902, if GM or Chrysler intends to award a new or relocated franchise in the market area of a terminated dealer, the manufacturer must first offer the additional or relocated franchise to the former dealer.

- Applies to GM and Chrysler dealers terminated due to the bankruptcies of 2009;
- Right to first offer expires 3 years from the date the dealer was terminated;

2. Provides Dealers With Additional Protections To Help Them Make More Efficient Use of their Facilities to Ensure Viability and Protect Jobs.

Dealers need more flexibility from manufacturer demands which will allow them a better chance to maintain their viability and protect the industry from further job loss.

- i. This bill clarifies that *reasonable* dealership facilities requirements of a manufacturer does not mean a manufacturer can demand the *exclusive* use of the dealer's facility;
- ii. For dealers and manufacturers who have *separate and voluntary* agreements that allow the manufacturer to enjoy exclusive use of the dealer's facility, this bill clarifies that leased property arrangements are also subject to MN law;
- iii. This bill helps willing dealers to consolidate if in same factory family to make more efficient use of their facilities;
- iv. Requires auto manufacturers to give a 6-month notice to the dealer if the manufacturer will require the dealer to invest in facility upgrades or location changes;
- v. Gives dealers ability to challenge fairness, accuracy and reasonableness of manufacturer's performance standards
- vi. Gives dealers ability to challenge an unfair reduction in the geographic area of sales responsibility, as defined by the manufacturer.

Please contact MADA Director of Government Affairs, Alyssa Schlander at 651-291-2400 or alyssa@mada.org if you would like more information.