



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

1. **This bill creates a lifeline for 60 businesses and 3,500 employees terminated due to GM and Chrysler Bankruptcies.**

If GM or Chrysler wants to award a new or relocated franchise in the franchise market area of a terminated dealer, the manufacturer must first offer the additional or relocated franchise to the former dealer. This protection period will last four years from the date of termination. This protection only applies to GM and Chrysler dealers terminated due to the bankruptcies of 2009.
2. **SF 2663/HF 2902 Allows A Proposed Purchaser Of A Dealership To Bring Claim Against Manufacturer For Unlawful Rejection Of Dealership Transfer.**
3. **SF2663/HF2902 Allows Dealers To Make More Efficient Use of their Facilities to Ensure Viability and Protect Jobs.**

Dealers are independently owned, family-run businesses who own their own property and inventory. They pay the payroll, provide good benefits and pay union pension contributions for their employees. *Dealers are **not** owned by the auto manufacturers.*

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;

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