

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 14

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 5, strike “and amendment”; in line 7, strike “or amending” and substitute “, canceling, or failing to renew”; and strike beginning with “prohibiting” in line 11 down through “circumstances;” in line 13.

AMENDMENT NO. 2

On page 1, in line 24, strike “and Amendment” and substitute “, Cancellation, and Nonrenewal”; in the same line, after the semicolon insert “and”; in line 25, after “19-4A-01” insert “and 19-4A-02”; and strike beginning with the semicolon in line 26 down through “Provisions” in line 27.

AMENDMENT NO. 3

On page 3, in lines 16 and 18, in each instance, strike “AND AMENDMENT” and substitute “, CANCELLATION, AND NONRENEWAL”.

AMENDMENT NO. 4

On pages 3 and 4, strike in their entirety the lines beginning with line 20 on page 3 through line 2 on page 4 and substitute:

“(A) IN THIS SECTION, “GOOD CAUSE” SHALL EXIST ON A FAILURE TO COMPLY WITH REQUIREMENTS IMPOSED BY A CONTRACT BETWEEN A SUPPLIER AND A DEALER THAT ARE NOT DIFFERENT FROM THOSE IMPOSED BY THE SUPPLIER’S CONTRACTS WITH OTHER SIMILARLY SITUATED DEALERS IN THE STATE.

“(B) A SUPPLIER MAY NOT, DIRECTLY OR THROUGH AN OFFICER, AGENT, OR EMPLOYEE, TERMINATE, CANCEL, OR FAIL TO RENEW A CONTRACT WITHOUT GOOD

(Over)

CAUSE.”.

AMENDMENT NO. 5

On page 4, in line 3, strike “(B)” and substitute “(C)”; in line 4, strike “OR AMEND”; in line 5, strike “UNDER” and substitute “CONTAINED IN”; and strike in their entirety lines 8 through 20, inclusive.

AMENDMENT NO. 6

On page 4, in line 22, strike “(A)”; in the same line, after “ANY” insert “OTHER”; and in line 23, strike “IMMEDIATELY”.

On page 5, in line 9, after “CHANGE” insert “OR ADDITION”; in line 10, strike “THE PRINCIPAL” and substitute “A”; in line 20, after “DAYS” insert a comma; in the same line, strike “RESULTED FROM” and substitute “WAS THE DIRECT RESULT OF”; in line 22, strike “CASUALTIES” and substitute “A CASUALTY”; in line 23, strike “STRIKES” and substitute “A STRIKE”; and strike in their entirety lines 31 through 34, inclusive.

AMENDMENT NO. 7

On page 6, in lines 3, 8, 15, and 23, in each instance, strike “OR AMEND”; in lines 12, 17, 18, and 27, in each instance, strike “OR AMENDMENT”; strike beginning with “OR” in line 10 down through “AMENDMENT” in line 11; in line 20, strike “(A)”; and strike beginning with “OR” in line 25 down through “AMENDMENT” in line 26.

On page 8, in line 34, strike “OR AMENDMENT”.

AMENDMENT NO. 8

On pages 6 through 8, strike in their entirety the lines beginning with line 32 on page 6 through line 32 on page 8 and substitute:

“SUBTITLE 4A. TRANSFER OF THE BUSINESS OF A DEALER.

19-4A-01.

(A) IN THIS SUBTITLE, “FAMILY MEMBER” MEANS A:

(1) SPOUSE;

(2) CHILD;

(3) SON-IN-LAW;

(4) DAUGHTER-IN-LAW; OR

(5) LINEAL DESCENDANT OF THE DEALER OR PRINCIPAL OWNER OF THE DEALERSHIP.

(B) (1) A DEALER SHALL SUBMIT TO A SUPPLIER A WRITTEN REQUEST TO SELL OR TRANSFER THE DEALER'S BUSINESS, OR ANY PORTION OF THE DEALER'S BUSINESS, OR TO ENTER INTO AN AGREEMENT TO OPERATE THE DEALERSHIP WITH ANOTHER PERSON BEFORE EXECUTING THE SALE, TRANSFER, OR AGREEMENT.

(2) A DEALER'S REQUEST SHALL INCLUDE THE FOLLOWING INFORMATION REGARDING THE POTENTIAL TRANSFEREE AS REASONABLY REQUIRED BY THE SUPPLIER TO MAKE A DETERMINATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION:

(I) FINANCIAL INFORMATION;

(II) PERSONAL BACKGROUND;

(III) CHARACTER REFERENCES; AND

(IV) WORK HISTORY.

(C) (1) A SUPPLIER SHALL MAKE A DETERMINATION ON A REQUEST SUBMITTED BY A DEALER UNDER SUBSECTION (B)(1) OF THIS SECTION WITHIN 90 DAYS OF RECEIPT.

(2) IF THE SUPPLIER DETERMINES THAT THE REQUEST IS NOT ACCEPTABLE, THE SUPPLIER SHALL PROVIDE THE DEALER WITH A WRITTEN NOTICE OF ITS DETERMINATION THAT INCLUDES A STATEMENT OF THE REASONS FOR NONACCEPTANCE.

(Over)

(3) NOTHING IN THIS SUBSECTION PERMITS AN HEIR , A PERSONAL REPRESENTATIVE, OR A FAMILY MEMBER OF A DECEASED DEALER TO OPERATE A DEALERSHIP WITHOUT THE EXPRESS WRITTEN CONSENT OF THE SUPPLIER.

19-4A-02.

(A) THE HEIRS OF A DECEASED DEALER HAVE 180 DAYS AFTER THE DEALER'S DEATH TO ENTER INTO A NEW CONTRACT WITH THE SUPPLIER TO OPERATE THE DEALERSHIP.

(B) THE HEIRS OF A DECEASED DEALER MAY NOT OPERATE A DEALERSHIP MORE THAN 180 DAYS AFTER THE DEALER'S DEATH WITHOUT THE EXPRESS WRITTEN CONSENT OF THE SUPPLIER.

(C) NOTHING IN THIS SECTION PRECLUDES THE ENFORCEABILITY OF A VALID CONTRACT BETWEEN A SELLER AND A DEALER CONCERNING SUCCESSION RIGHTS MADE BEFORE THE DEALER'S DEATH, EVEN IF THE CONTRACT DESIGNATES A PERSON OTHER THAN A SURVIVING SPOUSE OR AN HEIR OF THE DEALER AS THE SUCCESSOR TO THE DEALER."