

**BILL HISTORY FOR SENATE BILL 275 (LRB -3933)**

An Act to amend 218.0134 (2) (b) and 218.0163 (1) (intro.); and to create 218.0163 (1) (c) of the statutes; relating to: proposed actions regarding motor vehicle franchises. (FE)

2001

10-10.	S.	Introduced by Senators <b>Breske, Darling, Decker, Schultz, Plache, Welch, Moen, Huelsman, Jauch, S. Fitzgerald, M. Meyer, Rosenzweig, Grobschmidt, Lazich, Erpenbach</b> and <b>Cowles</b> ; cosponsored by Representatives <b>Freese, Musser, Krawczyk, Ryba, Loeffelholz, Gunderson, Lippert, Lassa, Sinicki, Olsen, Kestell, Hundertmark, Ladwig, Skindrud, Vrakas, Gronemus, Sykora, M. Lehman, Coggs, Albers, Meyerhofer, Hahn</b> and <b>Wasserman</b> .	
10-10.	S.	Read first time and referred to committee on Insurance, Tourism, and Transportation	396
10-10.	S.	Public hearing held.	
10-15.	S.	Fiscal estimate received.	
10-16.	S.	Executive action taken.	
10-18.	S.	Report passage recommended by committee on Insurance, Tourism, and Transportation, Ayes 5, Noes 0	410
10-18.	S.	Available for scheduling.	
10-22.	S.	Placed on calendar 10-23-2001 pursuant to Senate Rule 18(1).	
10-23.	S.	Read a second time	423
10-23.	S.	Ordered to a third reading	423
10-23.	S.	Rules suspended	423
10-23.	S.	Read a third time and <b>passed</b>	423
10-23.	S.	Ordered immediately messaged	424
10-30.	A.	Received from Senate	489
10-30.	A.	Read first time	489
10-30.	A.	Rules suspended and taken up	489
10-30.	A.	Read a second time	489
10-30.	A.	Ordered to a third reading	489
11-01.	A.	Read a third time and <b>concurred in</b>	502
11-01.	A.	Ordered immediately messaged	502
11-01.	A.	Representative Montgomery added as a cosponsor	502
11-06.	S.	Received from Assembly concurred in	448

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ADOPTED DOCUMENTS:

Orig     Engr             SubAmtdt         

01-39331-3

Amendments to above (if none, write "NONE"): None

Corrections - show date (if none, write "NONE"): None

Topic Proposed actions regarding motor vehicle franchises

21/07/01  
Date

[Signature]  
Enrolling Drafter

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## 2001 SENATE BILL 275

October 10, 2001 -- Introduced by Senators BRESKE, DARLING, DECKER, SCHULTZ, PLACHE, WELCH, MOEN, HUELSMAN, JAUCH, S. FITZGERALD, M. MEYER, ROSENZWEIG, GROBSCHMIDT, LAZICH, ERPENBACH and COWLES, cosponsored by Representatives FREESE, MUSSER, KRAWCZYK, RYBA, LOEFFELHOLZ, GUNDERSON, LIPPERT, LASSA, SINICKI, OLSEN, KESTELL, HUNDERTMARK, LADWIG, SKINDRUD, VRAKAS, GRONEMUS, SYKORA, M. LEHMAN, COGGS, ALBERS, MEYERHOFER, HAHN and WASSERMAN. Referred to Committee on Insurance, Tourism, and Transportation.

1     **AN ACT** *to amend* 218.0134 (2) (b) and 218.0163 (1) (intro.); and *to create*  
2             218.0163 (1) (c) of the statutes; **relating to:** proposed actions regarding motor  
3             vehicle franchises.

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### *Analysis by the Legislative Reference Bureau*

Under current law, each manufacturer, distributor, or importer of motor vehicles (affected grantor) that wishes to sell its motor vehicles in the state is licensed by the department of transportation (DOT). An affected grantor may enter into an agreement with a motor vehicle dealer that sets forth the terms under which the dealer may sell the affected grantor's vehicles via a motor vehicle franchise. If a dealer wishes to transfer its assets to another person, to change ownership or executive management, or to relocate the franchise or open a second franchise at the same location, and the franchise agreement requires that the affected grantor approve the proposed action, the dealer must give the affected grantor written notice of the proposed action and must secure the approval of the affected grantor before making the proposed action.

Under current law, the affected grantor must either approve of the proposed action; or, within 30 days of receiving written notice of the proposed action, must serve the motor vehicle dealer with a written report setting forth its reasons for not approving and must file a copy of this report with DOT. The dealer may then seek a decision from the division of hearing and appeals (division) within DOT permitting the proposed action. An affected grantor that does not comply with these requirements may have its license revoked and may be liable to the dealer for

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pecuniary losses, as well as actual costs and and attorney fees incurred by the dealer because of the affected grantor's failure to comply.

Under this bill, if the division determines that there is good cause to permit the proposed action, the affected grantor may be liable for the dealer's pecuniary loss, as well as for actual costs, including costs and attorney fees incurred by the dealer in obtaining a determination of good cause from the division.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 218.0134 (2) (b) of the statutes is amended to read:

2           218.0134 (2) (b) An affected grantor who does not approve of the proposed  
3 action shall, within 30 days after receiving the dealer's written notice of the proposed  
4 action or within 30 days after receiving all the information specified in a written list  
5 served on the dealer under par. (a), whichever is later, file with the department of  
6 transportation and serve upon the dealer a written statement of the reasons for its  
7 disapproval. The publication of the reasons given for the disapproval or any  
8 explanation of those reasons by the manufacturer, distributor or importer shall not  
9 subject the manufacturer, distributor or importer to any civil liability unless the  
10 reasons given or explanations made are malicious and published with the sole intent  
11 to cause harm to the dealer or a transferee of the dealer. Failure to file and serve a  
12 statement within the applicable period shall, notwithstanding the terms of any  
13 agreement, constitute approval of the proposed action by the grantor. If an affected  
14 grantor files a written statement within the applicable period, the dealer may not  
15 voluntarily undertake the proposed action unless it receives an order permitting it  
16 to do so from the division of hearings and appeals under sub. (3) (b).

17           **SECTION 2.** 218.0163 (1) (intro.) of the statutes is amended to read:

