



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2009 Assembly Bill 439**

**Assembly Amendment 1**

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Generally, *Assembly Bill 439* creates provisions governing the relationship between powersports vehicle manufacturers and distributors (franchisors), and powersports vehicle dealers (dealers). The bill defines a “powersports vehicle” as an all-terrain vehicle, snowmobile, lightweight utility vehicle, personal watercraft, or off-road motorcycle. Assembly Bill 439 imposes a number of restrictions on franchisors, including restrictions related to:

- Discrimination between dealers relating to wholesale order programs, incentives, and delivery.
- Secret payments or compensation to dealers.
- Preferential treatment regarding delivery of vehicles, parts and accessories.
- Competition with dealers.
- Financing.
- Dealer associations with other dealers.
- Price increases without notice.
- Warranty reimbursement.
- Out-of-state dispute resolution.

Violations of these restrictions may result in forfeitures of not less than \$100 nor more than \$1,000, and the provisions of the bill may be enforced by the Department of Agriculture, Trade, and

Consumer Protection (DATCP). Actions by the state may be commenced by the Department of Justice, representing DATCP, or by a district attorney. Additionally, the bill permits any dealer injured by violations to bring a civil action against a franchisor for injunctive relief as well as actual damages, costs, and reasonable attorney fees.

**Assembly Amendment 1**

Under the bill, a franchisor may not do any of the following regarding warranty service:

- Reimburse anyone other than an authorized dealer for warranty service.
- Pay less than the manufacturer's suggested retail price for parts used by a dealer to perform warranty work.
- Pay a dealer an amount for labor that is less than the amount the dealer charges its retail customers.

*Assembly Amendment 1* specifies that the warranty service shall be performed by a certified technician who has received training as prescribed by the manufacturer.

**Legislative History**

The Assembly Committee on Tourism, Recreation and State Properties introduced Assembly Amendment 1 to 2009 Assembly Bill 439. On January 20, 2010, the committee recommended adoption of Assembly Amendment 1 by a vote of Ayes, 8; Noes, 0, and recommended passage of Assembly Bill 439, as amended, by votes of Ayes, 5; Noes, 3.

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