



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2011 Assembly Bill 132	Assembly Amendment 1
<i>Memo published:</i> July 20, 2011	<i>Contact:</i> Chadwick Brown, Staff Attorney (266-0922)

This memorandum describes Assembly Amendment 1 to 2011 Assembly Bill 132, relating to motor vehicle dealers. Under current law, each manufacturer, importer, or distributor (for purposes of this memorandum, collectively “manufacturer”), and each dealer that wishes to sell motor vehicles in this state must be licensed by the Department of Transportation (DOT). There are a number of statutory provisions that govern contracts between a manufacturer and a dealer.

Definition of “Coerce”

Under *current law*, a manufacturer is prohibited from coercing a dealer into a number of statutorily enumerated actions. “Coerce” is undefined in statute as it relates to dealership agreements.

Assembly Bill 132 includes a definition of the term “coerce.”

Assembly Amendment 1 deletes this definition.

Dealer Preparation Obligations

Under *current law*, a manufacturer is required to specify delivery and preparation obligations of its dealers and file a copy of this with DOT.

Assembly Amendment 1 requires this specification to be in writing.

Computer Upgrade Reimbursement

Assembly Bill 132 includes a requirement that, in the event of a termination of a franchise, the manufacturer reimburse the dealer for obligations related to computer hardware, software, maintenance, or related services costs for the lesser of the term of the obligation or 24 months.

Assembly Amendment 1 reduces this to the lesser of the term of the obligation or 18 months.

Legislative History

Assembly Amendment 1 was offered by the Assembly Committee on Transportation on June 2, 2011. The committee recommended adoption of the amendment on a vote of Ayes, 15; Noes, 0 and passage of the bill as amended on a vote of Ayes, 14; Noes, 1.

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