



## WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

**2007 Wisconsin Act 32**  
[2007 Assembly Bill 425]

**Motor Vehicle Manufacturers,  
Importers, Distributors, and  
Dealers**

Under current law, some agreements between a motor vehicle dealer and its distributor, manufacturer, or importer (collectively referred to as franchisor) include provisions requiring the franchisor to give approval before certain actions can be taken by the motor vehicle dealer. These actions include: (1) a voluntary change of dealership ownership or executive management; (2) the transfer of dealership assets to another person; (3) the addition of another franchise at the same location as its existing franchise; or (4) the relocation of a franchise. There is a formal process under current law by which the franchisor receives notice of such an action and responds, including a process by which the dealer can appeal to the Division of Hearings and Appeals (DHA) regarding a franchisor's decision not to permit an action to be taken.

Under current law, the DHA is directed to decide whether there is good cause for permitting such an action to occur. 2007 Wisconsin Act 32 requires the DHA to decide whether there is good cause for not permitting the action to occur. Act 32 also sets a standard for DHA to use in making this decision that balances the benefits and harms to the franchisor, dealer, and the public.

***Effective Date:*** December 4, 2007

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.