

2019 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB56)

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Date: 6/20/2019 May Contact:

Same as LRB:

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Pre Topic:

No specific pre topic given

Topic:

Motor vehicle dealerships and warranty work

Instructions:

LRB-3417/1

Drafting History:

Table with 6 columns: Vers., Drafted, Reviewed, Submitted, Jacketed, Required. It contains two rows of drafting history data.

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State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB (3417/1) 60489/P1  
EVM:ahc

2019 BILL

RMR

AA - ASA1 - AB 56

6/20/19

- 1 **AN ACT to amend** 218.0116 (1) (n); and **to create** 218.0116 (1) (w) 3. and 218.0121  
2 (3m) (e) of the statutes; **relating to:** ownership, control, or operation of a motor  
3 vehicle dealership and performance of motor vehicle warranty service.

***Analysis by the Legislative Reference Bureau***

Under current law, a motor vehicle dealer must be licensed by the Department of Transportation. Also under current law, a manufacturer of motor vehicles may not operate or control a motor vehicle dealership. Under this bill, a manufacturer that manufactures only motor vehicles that are propelled solely by electric power, that is not a subsidiary of another manufacturer, and that has not entered into franchise agreements with dealers or distributors may engage in the business of a motor vehicle dealer.

Also under current law, with several exceptions, a manufacturer, importer, or distributor may not perform warranty service or delivery and preparation work on a motor vehicle that it does not own or authorize or permit a person to perform warranty service or delivery and preparation work on a motor vehicle unless the person is a motor vehicle dealer with whom the manufacturer, importer, or distributor has entered into a franchise agreement for the sale and service of the manufacturer's, importer's, or distributor's motor vehicles. Under this bill, this prohibition does not apply to a manufacturer that manufactures only motor vehicles that are propelled solely by electric power, that is not a subsidiary of another manufacturer, and that has not entered into franchise agreements with dealers or distributors.

**BILL**

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

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

afterline  
430, 24

1

SECTION 1. 218.0116 (1) (n) of the statutes is amended to read:

2

218.0116 (1) (n) The selling of new motor vehicles for which the dealer is not

3

franchised or otherwise authorized to sell.

4

SECTION 2. 218.0116 (1) (w) 3. of the statutes is created to read:

5

218.0116 (1) (w) 3. In this subdivision, "subsidiary" means a manufacturer that

6

is controlled by another manufacturer. Subdivision 1. does not apply to a

7

manufacturer that manufactures only motor vehicles that are propelled solely by

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electric power, that is not a subsidiary, and that, before the effective date of this

9

subdivision ... [LRB inserts date], has not entered into franchise agreements with

10

dealers or distributors to act as dealers or distributors of the manufacturer's motor

11

vehicles.

12

SECTION 3. 218.0121 (3m) (e) of the statutes is created to read:

13

218.0121 (3m) (e) In this paragraph, "subsidiary" means a manufacturer that

14

is controlled by another manufacturer. The ownership, operation, or control of a

15

dealership by a manufacturer that manufactures only motor vehicles that are

16

propelled solely by electric power, that is not a subsidiary, and that, before the

17

effective date of this paragraph ... [LRB inserts date], has not entered into franchise

18

agreements with dealers or distributors to act as dealers or distributors of the

19

manufacturer's motor vehicles. "

20

(END)



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRBb0489/P1  
EVM:ahe

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**  
**ASSEMBLY AMENDMENT ,**  
**TO ASSEMBLY SUBSTITUTE AMENDMENT 1,**  
**TO ASSEMBLY BILL 56**

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 430, line 24: after that line insert:

3 **"SECTION 1826g.** 218.0116 (1) (n) of the statutes is amended to read:

4 218.0116 (1) (n) The selling of new motor vehicles for which the dealer is not  
5 franchised or otherwise authorized to sell.

6 **SECTION 1826m.** 218.0116 (1) (w) 3. of the statutes is created to read:

7 218.0116 (1) (w) 3. In this subdivision, "subsidiary" means a manufacturer that  
8 is controlled by another manufacturer. Subdivision 1. does not apply to a  
9 manufacturer that manufactures only motor vehicles that are propelled solely by  
10 electric power, that is not a subsidiary, and that, before the effective date of this  
11 subdivision .... [LRB inserts date], has not entered into franchise agreements with

1 dealers or distributors to act as dealers or distributors of the manufacturer's motor  
2 vehicles.

3 **SECTION 1826s.** 218.0121 (3m) (e) of the statutes is created to read:

4 218.0121 **(3m)** (e) In this paragraph, "subsidiary" means a manufacturer that  
5 is controlled by another manufacturer. The ownership, operation, or control of a  
6 dealership by a manufacturer that manufactures only motor vehicles that are  
7 propelled solely by electric power, that is not a subsidiary, and that, before the  
8 effective date of this paragraph ... [LRB inserts date], has not entered into franchise  
9 agreements with dealers or distributors to act as dealers or distributors of the  
10 manufacturer's motor vehicles."

11 (END)