



House of Representatives *State of Utah*

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February 18, 2000

Mr. Speaker:

The Transportation Committee recommends **H.B. 113, MOTOR VEHICLE FRANCHISE AMENDMENTS**, by Representative K. Garn, be replaced and reports a favorable recommendation on **2nd Sub. H.B. 113, MOTOR VEHICLE FRANCHISE AMENDMENTS** with the following amendments:

1. Page 7, Line 183: After line 183 insert:
"(d) Notwithstanding the provisions of Subsection (1)(u), a franchisor may own, operate, or control a new motor vehicle dealership trading in a line make of motor vehicle if:
(i) as to that line make of motor vehicle, there are no more than four franchised new motor vehicle dealerships licensed and in operation within the state as of January 1, 2000;
(ii) the franchisor does not own directly or indirectly, more than a 45% interest in the dealership;
(iii) at the time the franchisor first acquires ownership or assumes operation or control of the dealership, the distance between the dealership thus owned, operated, or controlled and the nearest unaffiliated new motor vehicle dealership trading in the same line make is not less than 150 miles;
(iv) all the franchisor's franchise agreements confer rights on the franchisee to develop and operate as many dealership facilities as the franchisee and franchisor shall agree are appropriate within a defined geographic territory or area; and
(v) as of January 1, 2000, no fewer than half of the franchisees of the line make within the state own and operate two or more dealership facilities in the geographic area covered by the franchise agreement."

Respectfully,

Don E. Bush
Committee Chair

Voting: 8-0-5

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