

AN ACT

ENTITLED, An Act to prevent the inclusion of certain conditions in motor vehicle franchise agreements.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 32-6B-49.1 be amended to read as follows:

32-6B-49.1. No franchisor may require a franchisee to agree to the inclusion of a term or condition in a franchise, or in any lease or agreement ancillary or collateral to a franchise as a condition to the offer, grant or renewal of such franchise, lease or agreement, that:

- (1) Requires the franchisee to waive trial by jury involving the franchisor;
- (2) Specifies the jurisdictions, venues or tribunals in which disputes arising with respect to the franchise, lease or agreement shall or may not be submitted for resolution or otherwise prevents a franchisee from bringing an action in a particular forum otherwise available under the law;
- (3) Requires that disputes between the franchisor and franchisee be submitted to arbitration or to any other binding alternate dispute resolution procedure. However, any franchise, lease or agreement may authorize the submission of a dispute to arbitration or to binding alternate dispute resolution if the franchisor and franchisee voluntarily agree to submit the dispute to arbitration or binding alternate dispute resolution at the time the dispute arises; or
- (4) Requires a franchisee to pay the attorney fees of a franchisor.

This section does not apply to agreements pertaining to the lease or sale of real property.

An Act to prevent the inclusion of certain conditions in motor vehicle franchise agreements.

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I certify that the attached Act
originated in the

SENATE as Bill No. 117

Secretary of the Senate
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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 117

File No. _____

Chapter No. _____

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Received at this Executive Office
this ____ day of _____ ,

19__ at ____ M.

By _____
for the Governor
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The attached Act is hereby
approved this _____ day of
_____, A.D., 19__

Governor

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STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

Filed _____, 19__
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State