

AN ACT

ENTITLED, An Act to provide for notification and hearing when motor vehicle franchise agreements are modified or replaced.

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

Section 1. That chapter 32-6B be amended by adding thereto a NEW SECTION to read as follows:

A franchisor may not modify a franchise during the terms of the franchise or upon its renewal if the modification would substantially and adversely affect the dealer's rights, obligations, investment, or return on investment without giving at least thirty days notice of the proposed modification to the dealer unless the change is required by law. Within the thirty-day period, the dealer may file an objection requesting a determination of whether good cause exists for permitting the proposed modification with the Department of Revenue and serve notice on the franchisor. The department shall promptly schedule a hearing to be held under the provisions of chapter 1-26 and decide the matter within sixty days from the date the protest is filed. Multiple protests pertaining to the same proposed modification shall be consolidated for hearing. The proposed modification may not take effect with respect to the protesting dealer's franchise pending the determination of the matter. The written notice shall contain on the first page thereof a conspicuous statement which reads substantially as follows: 'NOTICE TO DEALER: YOU MAY BE ENTITLED TO FILE A PROTEST WITH THE SOUTH DAKOTA DEPARTMENT OF REVENUE IN PIERRE, SOUTH DAKOTA, AND HAVE A HEARING IN WHICH YOU MAY PROTEST THE PROPOSED MODIFICATION OR REPLACEMENT OF YOUR FRANCHISE WITH A SUCCEEDING FRANCHISE UNDER THE TERMS OF SOUTH DAKOTA LAW IF YOU OPPOSE THIS ACTION.'

This section does not apply to franchise agreements involving travel trailers or motor homes.

An Act to provide for notification and hearing when motor vehicle franchise agreements are modified or replaced.

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1151

Chief Clerk

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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1151
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