

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1220 Session of
1984

INTRODUCED BY KUSSE, JANUARY 27, 1984

REFERRED TO TRANSPORTATION, JANUARY 27, 1984

AN ACT

1 Amending the act of December 22, 1983 (P.L.306, No.84), entitled
2 "An act providing for the State Board of Vehicle
3 Manufacturers, Dealers and Salespersons; and providing
4 penalties," further providing for the definitions of
5 "franchise" and "importer," and for the cancellation of
6 certain franchises.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. The definition of "franchise" in section 2 of the
10 act of December 22, 1983 (P.L.306, No.84), known as the Board of
11 Vehicles Act, is amended and a definition is added to read:

12 Section 2. Definitions.

13 The following words and phrases when used in this act shall
14 have the meanings given to them in this section unless the
15 context clearly indicates otherwise:

16 * * *

17 "Franchise." The written agreement or contract between any
18 new vehicle manufacturer or importer and any new vehicle dealer
19 or distributor which purports to fix the legal rights and

1 liabilities of the parties to such agreement or contract, and
2 pursuant to which the dealer purchases and resells the franchise
3 product or leases or rents the dealership premises.

4 "Importer." A person, resident or nonresident, who imports
5 vehicles from outside of the United States.

6 * * *

7 Section 2. Section 9(c) of the act is amended to read:

8 Section 9. Unlawful acts by manufacturers, factory branches,
9 distributors, field representatives, officers,
10 agents or any representatives of manufacturers,
11 factory branches or distributors.

12 * * *

13 (c) Canceling of franchises.--It shall be a violation of
14 this act for any manufacturer, factory branch, distributor,
15 field representative, officer, agent or any representative
16 whatsoever of a vehicle manufacturer or factory branch to
17 unfairly, without due regard to the equities of said dealer and
18 without just provocation, cancel the franchise of any vehicle
19 dealer; or being a manufacturer, factory branch or importer, to
20 unfairly, without due regard to the equities of a distributor
21 and without just provocation cancel the franchise of any
22 distributor. All existing dealers' franchises shall continue in
23 full force and operation under a newly appointed distributor on
24 the termination of an existing distributor unless a mutual
25 agreement of cancellation is filed with the board between the
26 newly appointed distributor and such dealer. Not less than 60
27 days advance notice of such termination, cancellation or failure
28 to renew shall be given the dealer or distributor prior to the
29 effective date thereof unless the nature or character of the
30 reason for termination, cancellation or failure to renew is such

1 that the giving of such notice would not be in the public
2 interest. At any time before the effective date of such
3 termination, cancellation or failure to renew, the dealer or
4 distributor may appeal to the board for a hearing on the merits,
5 and following due notice to all parties concerned, such hearing
6 shall be promptly held. No such termination, cancellation or
7 failure to renew shall become effective until final
8 determination of the issue by the board. In the event of a
9 dealer or distributor appeal, the burden of proof shall be on
10 the manufacturer or importer to show that such termination,
11 cancellation or failure to renew was for good cause and in good
12 faith.

13 * * *

14 Section 3. This act shall be retroactive to January 1, 1984.

15 Section 4. This act shall take effect immediately.