

56:10-20

LEGISLATIVE HISTORY CHECKLIST
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(Motor vehicle--francises)

NJSA: 56:10-20

LAWS OF: 1991 CHAPTER: 460

BILL NO: S3487

SPONSOR(S): O'Connor & DiFrancesco

DATE INTRODUCED: May 13, 1991

COMMITTEE: ASSEMBLY: _____

SENATE: Labor

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: January 10, 1992

SENATE: December 16, 1991

DATE OF APPROVAL: January 18, 1992

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: No

SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

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1 AN ACT concerning the relocation of certain motor vehicle
2 franchises and amending P.L.1982, c.156.

3
4 BE IT ENACTED by the Senate and General Assembly of the
5 State of New Jersey:

6 1. Section 5 of P.L.1982, c.156 (C.56:10-20) is amended to
7 read as follows:

8 5. The provisions of sections 3 and 4 of [this act] P.L.1982,
9 c.156 (C.56:10-18 and 56:10-19) notwithstanding, a motor vehicle
10 franchisor may:

11 a. Permit an existing franchisee to relocate his franchise
12 within 2 miles of the franchisee's existing franchise location,
13 except that a franchise may not be relocated pursuant to this
14 subsection unless at least five years have elapsed since any
15 previous relocation pursuant to this subsection; [or]

16 b. Reopen or reactivate a franchise or business which has not
17 been in operation for a period of 1 year or less at a site within 2
18 miles of the prior site; or

19 c. Permit the purchaser of a controlling interest in the shares
20 or substantially all of the operating assets of an existing
21 franchise to relocate the place of business of the franchise within
22 2 miles of the previously approved franchise location within 180
23 days of the date of purchase.

24 (cf: P.L.1982, c.156, s.5)

25 2. This act shall take effect immediately.

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27

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STATEMENT

29

30 Currently, motor vehicle franchisees are permitted to move
31 their businesses within a two-mile radius without notifying other
32 franchisees of the same line make and providing them with an
33 opportunity for a hearing as otherwise required by law. This bill
34 extends this same exception to the purchaser of an existing
35 franchise wishing to make such a move. Additionally, it prevents
36 circumvention of these requirements, which could be achieved by
37 a series of moves of two miles or less, by setting a limit of one
38 such move, without notice, in five years. This bill is part of a
39 three bill package that seeks to update New Jersey's motor
40 vehicle franchise laws in response to current conditions in the
41 marketplace.

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

COMMERCE AND INDUSTRY

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Amends law concerning certain relocations by motor vehicle franchisees.

SENATE, No. 3487

STATE OF NEW JERSEY

INTRODUCED MAY 13, 1991

By Senators O'CONNOR and DiFRANCESCO

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SENATE LABOR, INDUSTRY AND PROFESSIONS COMMITTEE

STATEMENT TO

SENATE, No. 3487

STATE OF NEW JERSEY

DATED: DECEMBER 5, 1991

The Senate Labor, Industry and Professions Committee reports favorably Senate, No. 3487.

This bill amends the current exemptions from the law which established the Motor Vehicle Franchise Committee to regulate the granting and relocation of motor vehicle franchises by franchisors. The current exemption provides that a motor vehicle franchisor may permit an existing franchisee to relocate his franchise within two miles of its existing location without notifying other franchisees of the same line make in the relevant market area and providing them with an opportunity for a hearing on the relocation. This bill limits such relocations to no more than one relocation every five years. The bill also adds a new exemption that provides that a motor vehicle franchisor may permit the purchaser of a controlling interest in an existing franchise to relocate his franchise within two miles of its existing location within 180 days of the purchase date.