56:10-16 to 56:10-25

4/3/84

LEGISLATIVE HISTORY CHECKLIST

NJSA: 56:10-16 to 56:10-25 (Automobile dealers - franchises - establishment, relocation, reopening, etc.)

LAWS OF: 1982 **CHAPTER:** 156

BILL NO: A636

Sponsor(s): Karcher and D. Gallo

Date Introduced: February 1, 1982

Committee: Assembly: Transportation and Communications

Senate: Labor, Industry and Professions

Amended during passage: Yes Amendments denoted by asterisks according to Governor's recommendations

Date of Passage: Assembly: May 24, 1982 Re-enacted 9-30-82

Senate: June 28, 1982 Re-enacted 10-25-82

Date of Approval: October 27, 1982

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly Yes

Senate Yes

Fiscal Note: No

Veto Message: Yes

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

Case, referred to in sponsors' statement:
New Motor Vehicle Board v. Fox, 439 U.S. 96 December 5, 1978).

(OVER)

Report, referred to in sponsors' statement:
S. Rep. No. 2073, 84th Cong., 2nd Sess.

See also:

KF2036 Macauley, Stewart
A8 Law and the balance of power; the automobile manufactures and
M3 their dealer. Russell Sage Foundation, 1966.

ASSEMBLY, No. 636

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 1, 1982

By Assemblymen KARCHER and D. GALLO

Referred to Committee on Transportation and Communications

AN ACT regulating the granting, relocation, reopening, reactivation, or establishment of motor vehicle franchises and businesses on the retail level by motor vehicle franchisors, establishing a Motor Vehicle Franchise Committee and supplementing Title 56 of the Revised Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. As used in this act:

a. "Committee" means the Motor Vehicle Franchise Committee established in section 2 of this act;

b. "Franchise" means a written arrangement for a definite or indefinite period in which a motor vehicle franchisor grants a right or license to use a trade name, trademark, service mark or related characteristics and in which there is a community of interest in the marketing of new motor vehicles at retail, by lease, agreement or otherwise;

c. "Franchisee" means a natural person, corporation, partnership or entity to whom a franchise is granted by a motor vehicle franchisor;

d. "Motor vehicle franchisor" means a natural person, corporation, partnership or entity engaged in the business of manufacturing, assembling or distributing new motor vehicles, who will under normal business conditions during the year, manufacture, assemble or distribute at least 10 new motor vehicles;

e. "Relevant market area" means a geographic area 10 miles in radius from a proposed franchise or business, but if there are no existing franchisees in the same line make within a 10 mile radius of the proposed franchise or business, then the relevant market area includes the next closest existing franchisee in the same line make beyond the 10-mile radius.

2. There is established in the Executive Branch of the State Government a committee which shall be known as the Motor Vehicle Franchise Committee. The committee shall consist of the Director of the Division of Motor Vehicles, the Commissioner of the Department of Commerce and Economic Development and the Director of the Division of Consumer Affairs. The Director of the Division of Motor Vehicles shall be the chairman of the committee. The committee shall meet from time to time at the call of the chairman, for the purpose of conducting hearings and rendering final determinations as provided for in this act. All papers required to be filed with the committee pursuant to this act shall be filed with the Director of the Division of Motor Vehicles. For purposes of complying wtih the provisions of Article V, Section IV, paragraph 1 of the New Jersey Constitution, the committee is allocated within the Department of Law and Public Safety, but notwithstanding that allocation, the committee shall remain independent of any supervision or control by the department or by any personnel thereof.

3. No motor vehicle franchisor shall grant, relocate, reopen or reactivate a franchise or establish, relocate, reopen or reactivate a business, for the purpose of doing business on the retail level, if the franchise or business will be injurious to existing franchisees of the same line make within the relevant market area and, thereby, to the public interest as determined pursuant to section 8 of this act.

4. A motor vehicle franchisor shall give its existing franchisees in the same line make within the relevant market area 120 days advance written notice of its intention to grant, relocate, reopen or reactivate a franchise of the same line make or establish, relocate, reopen or reactivate a business. Any franchisee who is entitled to receive the written notice may file with the committee a protest to the granting, relocating, reopening or reactivation of the franchise or the establishment, relocation, reopening or reactivation of the business within 30 days of receipt of the notice or 30 days after the end of any appeal procedure provided by the motor vehicle franchisor, whichever is later. When a protest is filed, the committee shall notify the motor vehicle franchisor and the franchisee in writing that it has been filed and shall set forth in the written notice the date, time and place where a hearing on the protest shall be heard. The motor vehicle franchisor shall have the burden of establishing that the grant, relocation, reopening or reactivation of the proposed franchise or the establishment, relocation, reopening or reactivation of the proposed business complies with the provisions of this act.

5. The provisions of sections 3 and 4 of this act notwithstanding, a motor vehicle franchisor may:

a. Permit an existing franchisee to relocate his franchise within 1 mile of the franchisee's existing franchise location; or

b. Reopen or reactivate a franchise or business which has not been in operation for a period of 1 year or less.

6. The hearing referred to in section 4 of this act shall be conducted as a contested case in accordance with the provisions of the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1 et seq.) and shall begin not later than 90 days after the filing of the protest unless the time is extended for good cause shown. The testimony taken at the hearing shall be under oath and recorded stenographically, but the parties shall not be bound by the rules of evidence. True copies of any transcript and of any other record made of or at the hearing shall be furnished to any party upon request and at that party's expense. The committee may subpena witnesses and compel their attendance, administer oaths and require the production for examination of any books or papers relating to any matter involved in the hearing. The committee, at the request of any party, may subpena and compel the attendance of such witnesses as the party may designate and require the production for examination of any books or papers relating to any matter involved in the hearing.

7. When a protest has been filed, as provided for in this act, the motor vehicle franchisor shall not grant, relocate, reopen or reactivate the proposed franchise or establish, relocate, reopen or reactivate the proposed business until the committee has made a final determination that that action does not violate this act.

8. In determining whether the grant, relocation, reopening or reactivation of a franchise or establishment, relocation, reopening or reactivation of a business will be injurious to existing franchisees and, thereby, to the public interest, the committee may consider, but shall not be limited to considering the following:

a. The effect that the proposed franchise or business would have on the provision of stable, adequate and reliable sales and service to purchasers of vehicles in the same line make in the relevant market area;

b. The effect that the proposed franchise or business would have on the stability of existing franchisees in the same line make in the relevant market area;

c. Whether the existing franchisees in the same line make in the relevant market area are providing adequate and convenient con-

15 sumer service for motor vehicles of the line make in the relevant
16 market area, which shall include the adequacy of motor vehicle sales
17 and service facilities, equipment, supply of motor vehicle parts and
18 qualified service personnel.

1 9. The committee may promulgate such rules and regulations as
2 are necessary to implement the provisions of this act.

1 10. This act shall take effect immediately.

SPONSORS' STATEMENT

This bill is designed to add New Jersey to the 19 states which have enacted laws giving auto dealers a voice in the heretofore unilateral establishment or relocation of dealerships by manufacturers or distributors. These laws seek to safeguard the consumer by assuring that full service dealerships—those providing comprehensive service and parts supply facilities in addition to sales operations—are able to continue in business in the face of sales-oriented facilities that frequently are introduced into a market by manufacturers or distributors. Too often such "stimulator" operations only minimally provide service and a full inventory of parts, functions which are vital to car owners.

If an existing dealer feels that a franchisor—the manufacturer or, in some cases, wholesale distributor—has arbitrarily inserted another dealership into his market area he will be able to object to an impartial committee composed of the Commissioner of the Department of Commerce and Economic Development and the Directors of the Divisions of Motor Vehicles and Consumer Affairs. Today, the dealer has no forum in which to enter such an objection. This bill will help redress that imbalance.

The United States Supreme Court upheld such legislation in *New Motor Vehicle Board of the State of California v. Orrin W. Fox Co.*, a decision delivered by Justice William J. Brennan, Jr., on December 5, 1978.

In the opinion, Justice Brennan cited a 1956 Congressional Committee report which found that:

> "Dealers are with few exceptions completely dependent upon the manufacturer for their supply of cars. When the dealer has invested to the extent required to secure a franchise, he becomes in a real sense the economic captive of his manufacturer. The substantial investment of his own personal funds by the dealer in the business, the inability to convert easily the facilities to other uses, the dependence upon a single manufacturer for supply of automobiles, and the difficulty of obtaining a franchise from

another manufacturer all contribute toward making the dealer an easy prey for domination by the factory. On the other hand, from the standpoint of the automobile manufacturer, any single dealer is expendable. The faults of the factory-dealer system are directly attributable to the superior market position of the manufacturer."

Those findings are as valid today as when first published. New Jersey was a national leader in enacting our Franchise Practices Act, which, among a number of safeguards, protected automobile dealers against unfair franchise cancellations. This next step forward is consistent with that tradition.

ASSEMBLY TRANSPORTATION AND COMMUNICATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 636

with Assemly committee amendments

STATE OF NEW JERSEY

DATED: MAY 17, 1982

This bill establishes a mechanism to regulate the granting, relocation, reopening or reactivation of certain motor vehicle franchises by creating a Motor Vehicle Franchise Committee. The committee shall consist of the Director of the Division of Motor Vehicles, who shall serve as chairman of the committee, the Commissioner of the Department of Commerce and Economic Development and the Director of the Division of Consumer Affairs.

As amended by the Assembly committee, the bill provides that a motor vehicle franchisor shall give its existing franchisees in the same line make within the relevant market area 90 days advance written notice of its intention to grant, relocate, reopen or reactivate a franchise of the same line make. A franchisee who is entitled to receive the written notice may file a protest with the Motor Vehicle Franchise Committee within a specified period. The committee or the Office of Administrative Law must then hear the case; the hearing shall begin not later than 60 days after the filing of the protest unless the time is extended for good cause shown.

When a protest has been filed, the motor vehicle franchisor is not permitted to open the proposed franchise until the committee has made a determination that such action does not violate this act. In reaching its determination whether the granting, relocation, reopening, or reactivation of a franchise will be injurious to existing franchisees and to the public interest, the committee may consider, but shall not be limited to considering, the following:

a. The effect that the proposed franchise or business would have on the provisions of stable, adequate and reliable sales and service to purchasers of vehicles in the same line make in the relevant market area;

b. The effect that the proposed franchise or business would have on the stability of existing franchisees in the same line make in the relevant market area;

c. Whether the existing franchisees in the same line make in the relevant market area are providing adequate and convenient consumer

ACS

service for motor vehicles of the line make in the relevant market area, which shall include the adequacy of motor vehicle sales and service facilities, equipment, supply of motor vehicle parts and qualified service personnel;

d. The effect on a relocating dealer of a denial of its relocation into the relevant market area.

The Assembly committee amended Assembly Bill No. 636 by defining "relevant market area" as a geographic area 8 miles in radius from a proposed franchise or business, but if there are no existing franchises in the same line make within an 8-mile radius of the proposed franchise or business, then the relevant market area includes the next closest existing franchisee in the same line make within a 14-mile radius.

Another committee amendment provides that the Motor Vehicle Franchise Committee shall award reasonable litigation costs and reasonable attorney fees to any person ultimately prevailing in any administrative proceeding under this act; in addition, the Motor Vehicle Franchise Committee shall assess from the person ultimately not prevailing the amount of the administrative hearing costs from a protest filed pursuant to this act and shall transfer the assessment received to the Office of Administrative Law.

Notwithstanding any other provisions of this act, Assembly Bill No. 636, as amended, permits an existing franchisee to relocate his franchise within 2 miles of the franchisee's existing franchise location or to reopen or reactivate a franchise which has not been in operation for a period of 1 year or less at a site within 2 miles of the prior site.

In addition, amendments have been included which conform to the suggestions made by the Office of Administrative Law so that the hearing provisions will be in accordance with the "Administrative Procedure Act."

[OFFICIAL COPY REPRINT]

ASSEMBLY, No. 636

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 1, 1982

By Assemblymen KARCHER and D. GALLO

Referred to Committee on Transportation and Communications

AN ACT regulating the granting, relocation, reopening, reactivation, or establishment of motor vehicle franchises and businesses on the retail level by motor vehicle franchisors, establishing a Motor Vehicle Franchise Committee and supplementing Title 56 of the Revised Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. As used in this act:

a. "Committee" means the Motor Vehicle Franchise Committee established in section 2 of this act;

b. "Franchise" means a written arrangement for a definite or indefinite period in which a motor vehicle franchisor grants a right or license to use a trade name, trademark, service mark or related characteristics and in which there is a community of interest in the marketing of new motor vehicles at retail, by lease, agreement or otherwise;

c. "Franchisee" means a natural person, corporation, partnership or entity to whom a franchise is granted by a motor vehicle franchisor;

d. "Motor vehicle franchisor" means a natural person, corporation, partnership or entity engaged in the business of manufacturing, assembling or distributing new motor vehicles, who will under normal business conditions during the year, manufacture, assemble or distribute at least 10 new motor vehicles;

e. "Relevant market area" means a geographic area *[10]* *8* miles in radius from a proposed franchise or business, but if there

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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

***—Assembly committee amendments adopted May 17, 1982.**

are no existing franchisees in the same line make within a *[10]* *8* mile radius of the proposed franchise or business, then the relevant market area includes the next closest existing franchisee in the same line make *[beyond the 10-mile]* *within a 14-mile* radius.

2. There is established in the Executive Branch of the State Government a committee which shall be known as the Motor Vehicle Franchise Committee. The committee shall consist of the Director of the Division of Motor Vehicles, the Commissioner of the Department of Commerce and Economic Development and the Director of the Division of Consumer Affairs. The Director of the Division of Motor Vehicles shall be the chairman of the committee. The committee shall meet from time to time at the call of the chairman, for the purpose of conducting hearings and rendering final determinations as provided for in this act. All papers required to be filed with the committee pursuant to this act shall be filed with the Director of the Division of Motor Vehicles. For purposes of complying wtih the provisions of Article V, Section IV, paragraph 1 of the New Jersey Constitution, the committee is allocated within the Department of Law and Public Safety, but notwithstanding that allocation, the committee shall remain independent of any supervision or control by the department or by any personnel thereof.

3. No motor vehicle franchisor shall grant, relocate, reopen or reactivate a franchise or establish, relocate, reopen or reactivate a business, for the purpose of doing business on the retail level, if the franchise or business will be injurious *[to existing franchisees of the same line make within the relevant market area and, thereby, to the public interest]* as determined pursuant to section 8 of this act.

4. A motor vehicle franchisor shall give its existing franchisees in the same line make within the relevant market area *[120]* *90* days advance written notice of its intention to grant, relocate, reopen or reactivate a franchise of the same line make or establish, relocate, reopen or reactivate a business. Any franchisee who is entitled to receive the written notice may file with the committee a protest to the granting, relocating, reopening or reactivation of the franchise or the establishment, relocation, reopening or reactivation of the business within 30 days of receipt of the notice or 30 days after the end of any appeal procedure provided by the motor vehicle franchisor, whichever is later. When a protest is filed, the *chairman of the* committee shall notify the motor vehicle franchisor and the franchisee in writing that it has been

filed and shall *[set forth in the written notice the date, time and place where a hearing on the protest shall be heard. The motor vehicle franchisor shall have the burden of establishing that the grant, relocation, reopening or reactivation of the proposed franchise or the establishment, relocation, reopening or reactivation of the proposed business complies with the provisions of this act]* *forthwith determine either to transmit the protest to the Office of Administrative Law for hearing or to conduct a hearing directly*.

5. The provisions of sections 3 and 4 of this act notwithstanding, a motor vehicle franchisor may:

a. Permit an existing franchisee to relocate his franchise within *[1 mile]* *2 miles* of the franchisee's existing franchise location; or

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

6. The hearing referred to in section 4 of this act shall be conducted as a contested case in accordance with the provisions of the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1 et seq.) *and P. L. 1978, c. 67 (C. 52:14F-1 et seq.)* and shall begin not later than *[90]* *60* days after the filing of the protest unless the time is extended for good cause shown. The testimony taken at the hearing shall be under oath and recorded stenographically *verbatim*, but the parties shall not be bound by the rules of evidence. True copies of any transcript and of any other record made of or at the hearing shall be furnished to any party upon request and at that party's expense. The committee may subpena witnesses and compel their attendance, administer oaths and require the production for examination of any books or papers relating to any matter involved in the hearing. The committee, at the request of any party, may subpena and compel the attendance of such witnesses as the party may designate and require the production for examination of any books or papers relating to any matter involved in the hearing.

7. When a protest has been filed, as provided for in this act, the motor vehicle franchisor shall not grant, relocate, reopen or reactivate the proposed franchise or establish, relocate, reopen or reactivate the proposed business until the committee has made a final determination that that action does not violate this act.

8. In determining whether the grant, relocation, reopening or reactivation of a franchise or establishment, relocation, reopening or reactivation of a business will be injurious to existing franchisees and*[, thereby,]* to the public interest, the committee may consider, but shall not be limited to considering the following:

a. The effect that the proposed franchise or business would have on the provision of stable, adequate and reliable sales and service to purchasers of vehicles in the same line make in the relevant market area;

b. The effect that the proposed franchise or business would have on the stability of existing franchisees in the same line make in the relevant market area;

c. Whether the existing franchisees in the same line make in the relevant market area are providing adequate and convenient consumer service for motor vehicles of the line make in the relevant market area, which shall include the adequacy of motor vehicle sales and service facilities, equipment, supply of motor vehicle parts and qualified service personnel*[.]* *;*

**d. The effect on a relocating dealer of a denial of its relocation into the relevant market area.*

*9. The committee shall award reasonable litigation costs and reasonable attorney fees to any person ultimately prevailing, either as petitioner or respondent, in any administrative proceeding under this act. The committee shall assess from the person ultimately not prevailing, and shall transfer to the Office of Administrative Law, the administrative hearing costs resulting from a protest filed pursuant to this act. Administrative hearing costs shall be based on a billing rate established by the Office of Administrative Law and approved by the Director of Budget and Accounting.**

[9.] **10.** The committee may promulgate such rules and regulations as are necessary to implement the provisions of this act.

[10.] **11.** This act shall take effect immediately.

SENATE LABOR, INDUSTRY AND PROFESSIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 636

[OFFICIAL COPY REPRINT]

with Senate committee amendments

STATE OF NEW JERSEY

DATED: JUNE 14, 1982

This bill establishes a Motor Vehicle Franchise Committee to regulate the granting, relocation, reopening or reactivation of motor vehicle franchises by franchisors. The committee consists of the Director of the Division of Motor Vehicles, as chairman, the Commissioner of the Department of Commerce and Economic Development and the Director of the Division of Consumer Affairs.

A motor vehicle franchisor must give its existing franchisees in the same line make within the relevant market area 90 days' advance written notice of its intention to grant, relocate, reopen or reactivate a franchise of the same line make. The relevant market area is the geographic area 8 miles in radius from a proposed franchise, but if there is no existing franchise in the same line make within the 8-mile radius, then the relevant market area includes only the next closest existing franchisee in the same line make within a 14-mile radius.

A franchisee of the same line make in the relevant market area may file a protest against the proposed franchise with the Motor Vehicle Franchise Committee within a specified period. When a protest is filed, the motor vehicle franchisor may not open the proposed franchise until the committee determines that such action does not violate the provisions of this bill.

The committee or, at the committee's discretion, the Office of Administrative Law must hear the case within 60 days after the protest is filed, unless the time is extended for good cause shown, In reaching its determination on whether the granting, relocation, reopening, or reactivation of a franchise will be injurious to existing franchisees in the relevant market area and to the public interest, the committee may consider, but is not limited to considering, the following:

a. The effect that the proposed franchise would have on the provision of stable, adequate and reliable sales and service to purchasers of vehicles in the same line make in the relevant market area;

b. The effect that the proposed franchise would have on the stability of existing franchisees in the same line make in the relevant market area;

c. Whether the existing franchisees in the same line make in the relevant market are providing adequate and convenient consumer service for motor vehicles of the same line make in the relevant market area, which shall include the adequacy of motor vehicle sales and service facilities, equipment, supply of motor vehicle parts and qualified service personnel; and

d. The effect on a relocating dealer of a denial of its relocation into the relevant market area.

The Motor Vehicle Franchise Committee shall award reasonable litigation costs and reasonable attorney fees to the prevailing party in any such hearing, which costs and fees shall be paid by the loser.

This bill does permit an existing franchisee to relocate his franchise within 2 miles of the franchisee's existing franchise location or to reopen or reactivate a franchise which has not been in operation for a period of 1 year or less at a site within 2 miles of the prior site.

The committee amended the bill to define motor vehicle and, thereby, to avoid any confusion as to its meaning in the future.

[SENATE REPRINT]

ASSEMBLY, No. 636

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 1, 1982

By Assemblymen KARCHER and D. GALLO

Referred to Committee on Transportation and Communications

AN ACT regulating the granting, relocation, reopening, reactivation, or establishment of motor vehicle franchises and businesses on the retail level by motor vehicle franchisors, establishing a Motor Vehicle Franchise Committee and supplementing Title 56 of the Revised Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. As used in this act:

a. "Committee" means the Motor Vehicle Franchise Committee established in section 2 of this act;

b. "Franchise" means a written arrangement for a definite or indefinite period in which a motor vehicle franchisor grants a right or license to use a trade name, trademark, service mark or related characteristics and in which there is a community of interest in the marketing of new motor vehicles at retail, by lease, agreement or otherwise;

c. "Franchisee" means a natural person, corporation, partnership or entity to whom a franchise is granted by a motor vehicle franchisor;

****d. "Motor vehicle" or "new motor vehicle" means only a newly manufactured motor vehicle, except a nonconventional type of motor vehicle, and includes all such vehicles propelled otherwise than by muscular power, and motorcycles, trailers and tractors, excepting such vehicles as run only upon rails or tracks and motorized bicycles; a "nonconventional type of motor vehicle" means**

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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

***—Assembly committee amendments adopted May 17, 1982.**

****—Senate committee amendments adopted June 14, 1982.**

12G *every vehicle not designed or used primarily for the transportation*
12H *of persons or property and only incidentally operated or moved*
12I *over a highway;***

13 **[d.]** ***e.*** "Motor vehicle franchisor" means a natural per-
14 son, corporation, partnership or entity engaged in the business of
15 manufacturing, assembling or distributing new motor vehicles, who
16 will under normal business conditions during the year, manufacture,
17 assemble or distribute at least 10 new motor vehicles;

18 **[e.]** ***f.*** "Relevant market area" means a geographic area
19 *[10]* **8** miles in radius from a proposed franchise or business,
20 but if there are no existing franchisees in the same line make within
21 a *[10]* **8** mile radius of the proposed franchise or business, then
22 the relevant market area includes the next closest existing fran-
23 chisee in the same line make *[beyond the 10-mile]* **within a*
24 *14-mile** radius.

1 2. There is established in the Executive Branch of the State
2 Government a committee which shall be known as the Motor Vehicle
3 Franchise Committee. The committee shall consist of the Director
4 of the Division of Motor Vehicles, the Commissioner of the De-
5 partment of Commerce and Economic Development and the
6 Director of the Division of Consumer Affairs. The Director of the
7 Division of Motor Vehicles shall be the chairman of the committee.
8 The committee shall meet from time to time at the call of the chair-
9 man, for the purpose of conducting hearings and rendering final
10 determinations as provided for in this act. All papers required to
11 be filed with the committee pursuant to this act shall be filed with
12 the Director of the Division of Motor Vehicles. For purposes of
13 complying wtih the provisions of Article V, Section IV, paragraph
14 1 of the New Jersey Constitution, the committee is allocated within
15 the Department of Law and Public Safety, but notwithstanding
16 that allocation, the committee shall remain independent of any
17 supervision or control by the department or by any personnel
18 thereof.

1 3. No motor vehicle franchisor shall grant, relocate, reopen or
2 reactivate a franchise or establish, relocate, reopen or reactivate
3 a business, for the purpose of doing business on the retail level,
4 if the franchise or business will be injurious *[to existing fran-
5 chisees of the same line make within the relevant market area and,
6 thereby, to the public interest]* as determined pursuant to section
7 8 of this act.

1 4. A motor vehicle franchisor shall give its existing franchisees
2 in the same line make within the relevant market area *[120]*
3 **90** days advance written notice of its intention to grant, relocate,

reopen or reactivate a franchise of the same line make or establish, relocate, reopen or reactivate a business. Any franchisee who is entitled to receive the written notice may file with the committee a protest to the granting, relocating, reopening or reactivation of the franchise or the establishment, relocation, reopening or reactivation of the business within 30 days of receipt of the notice or 30 days after the end of any appeal procedure provided by the motor vehicle franchisor, whichever is later. When a protest is filed, the **chairman of the** committee shall notify the motor vehicle franchisor and the franchisee in writing that it has been filed and shall *[set forth in the written notice the date, time and place where a hearing on the protest shall be heard. The motor vehicle franchisor shall have the burden of establishing that the grant, relocation, reopening or reactivation of the proposed franchise or the establishment, relocation, reopening or reactivation of the proposed business complies with the provisions of this act]* ***forthwith determine either to transmit the protest to the Office of Administrative Law for hearing or to conduct a hearing directly***.

5. The provisions of sections 3 and 4 of this act notwithstanding, a motor vehicle franchisor may:

a. Permit an existing franchisee to relocate his franchise within *[1 mile]* ***2 miles*** of the franchisee's existing franchise location; or

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

6. The hearing referred to in section 4 of this act shall be conducted as a contested case in accordance with the provisions of the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1 et seq.) ***and P. L. 1978, c. 67 (C. 52:14F–1 et seq.)*** and shall begin not later than *[90]* ***60*** days after the filing of the protest unless the time is extended for good cause shown. The testimony taken at the hearing shall be under oath and recorded **[stenographically]** ***verbatim***, but the parties shall not be bound by the rules of evidence. True copies of any transcript and of any other record made of or at the hearing shall be furnished to any party upon request and at that party's expense. The committee may subpena witnesses and compel their attendance, administer oaths and require the production for examination of any books or papers relating to any matter involved in the hearing. The committee, at the request of any party, may subpena and compel the attendance of such witnesses as the party may designate and require the produc-

tion for examination of any books or papers relating to any matter involved in the hearing.

7. When a protest has been filed, as provided for in this act, the motor vehicle franchisor shall not grant, relocate, reopen or reactivate the proposed franchise or establish, relocate, reopen or reactivate the proposed business until the committee has made a final determination that that action does not violate this act.

8. In determining whether the grant, relocation, reopening or reactivation of a franchise or establishment, relocation, reopening or reactivation of a business will be injurious to existing franchisees and*[, thereby,]* to the public interest, the committee may consider, but shall not be limited to considering the following:

a. The effect that the proposed franchise or business would have on the provision of stable, adequate and reliable sales and service to purchasers of vehicles in the same line make in the relevant market area;

b. The effect that the proposed franchise or business would have on the stability of existing franchisees in the same line make in the relevant market area;

c. Whether the existing franchisees in the same line make in the relevant market area are providing adequate and convenient consumer service for motor vehicles of the line make in the relevant market area, which shall include the adequacy of motor vehicle sales and service facilities, equipment, supply of motor vehicle parts and qualified service personnel*[.]* *;*

**d. The effect on a relocating dealer of a denial of its relocation into the relevant market area.*

*9. The committee shall award reasonable litigation costs and reasonable attorney fees to any person ultimately prevailing, either as petitioner or respondent, in any administrative proceeding under this act. The committee shall assess from the person ultimately not prevailing, and shall transfer to the Office of Administrative Law, the administrative hearing costs resulting from a protest filed pursuant to this act. Administrative hearing costs shall be based on a billing rate established by the Office of Administrative Law and approved by the Director of Budget and Accounting.**

[9.] **10.** The committee may promulgate such rules and regulations as are necessary to implement the provisions of this act.

[10.] **11.** This act shall take effect immediately.

Ref'd. with Gov. Recom'ds. 9-20-82

[SECOND OFFICIAL COPY REPRINT]

ASSEMBLY, No. 636

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 1, 1982

By Assemblymen KARCHER and D. GALLO

Referred to Committee on Transportation and Communications

AN ACT regulating the granting, relocation, reopening, reactivation, or establishment of motor vehicle franchises and businesses on the retail level by motor vehicle franchisors, establishing a Motor Vehicle Franchise Committee and supplementing Title 56 of the Revised Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. As used in this act:

a. "Committee" means the Motor Vehicle Franchise Committee established in section 2 of this act;

b. "Franchise" means a written arrangement for a definite or indefinite period in which a motor vehicle franchisor grants a right or license to use a trade name, trademark, service mark or related characteristics and in which there is a community of interest in the marketing of new motor vehicles at retail, by lease, agreement or otherwise;

c. "Franchisee" means a natural person, corporation, partnership or entity to whom a franchise is granted by a motor vehicle franchisor;

**d. *"Motor vehicle" or "new motor vehicle" means only a newly manufactured motor vehicle, except a nonconventional type of motor vehicle, and includes all such vehicles propelled otherwise than by muscular power, and motorcycles, trailers and tractors, excepting such vehicles as run only upon rails or tracks and motorized bicycles; a "nonconventional type of motor vehicle" means*

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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

***—Assembly committee amendments adopted May 17, 1982.**

****—Senate committee amendments adopted June 14, 1982.**

12G *every vehicle not designed or used primarily for the transportation*
12H *of persons or property and only incidentally operated or moved*
12I *over a highway;***

13 **[d.]** ***e.*** "Motor vehicle franchisor" means a natural per-
14 son, corporation, partnership or entity engaged in the business of
15 manufacturing, assembling or distributing new motor vehicles, who
16 will under normal business conditions during the year, manufacture,
17 assemble or distribute at least 10 new motor vehicles;

18 **[e.]** ***f.*** "Relevant market area" means a geographic area
19 *[10]* **8** miles in radius from a proposed franchise or business,
20 but if there are no existing franchisees in the same line make within
21 a *[10]* **8** mile radius of the proposed franchise or business, then
22 the relevant market area includes the next closest existing fran-
23 chisee in the same line make *[beyond the 10-mile]* **within a*
24 *14-mile** radius.

1 2. There is established in the Executive Branch of the State
2 Government a committee which shall be known as the Motor Vehicle
3 Franchise Committee. The committee shall consist of the Director
4 of the Division of Motor Vehicles, the Commissioner of the De-
5 partment of Commerce and Economic Development and the
6 Director of the Division of Consumer Affairs. The Director of the
7 Division of Motor Vehicles shall be the chairman of the committee.
8 The committee shall meet from time to time at the call of the chair-
9 man, for the purpose of conducting hearings and rendering final
10 determinations as provided for in this act. All papers required to
11 be filed with the committee pursuant to this act shall be filed with
12 the Director of the Division of Motor Vehicles. For purposes of
13 complying wtih the provisions of Article V, Section IV, paragraph
14 1 of the New Jersey Constitution, the committee is allocated within
15 the Department of Law and Public Safety, but notwithstanding
16 that allocation, the committee shall remain independent of any
17 supervision or control by the department or by any personnel
18 thereof.

1 3. No motor vehicle franchisor shall grant, relocate, reopen or
2 reactivate a franchise or establish, relocate, reopen or reactivate
3 a business, for the purpose of doing business on the retail level,
4 if the franchise or business will be injurious *[to existing fran-
5 chisees of the same line make within the relevant market area and,
6 thereby, to the public interest]* as determined pursuant to section
7 8 of this act.

1 4. A motor vehicle franchisor shall give its existing franchisees
2 in the same line make within the relevant market area *[120]*
3 **90** days advance written notice of its intention to grant, relocate,

reopen or reactivate a franchise of the same line make or establish, relocate, reopen or reactivate a business. Any franchisee who is entitled to receive the written notice may file with the committee a protest to the granting, relocating, reopening or reactivation of the franchise or the establishment, relocation, reopening or reactivation of the business within 30 days of receipt of the notice or 30 days after the end of any appeal procedure provided by the motor vehicle franchisor, whichever is later. When a protest is filed, the **chairman of the** committee shall notify the motor vehicle franchisor and the franchisee in writing that it has been filed and shall *[set forth in the written notice the date, time and place where a hearing on the protest shall be heard. The motor vehicle franchisor shall have the burden of establishing that the grant, relocation, reopening or reactivation of the proposed franchise or the establishment, relocation, reopening or reactivation of the proposed business complies with the provisions of this act]* ***forthwith determine either to transmit the protest to the Office of Administrative Law for hearing or to conduct a hearing directly***.

5. The provisions of sections 3 and 4 of this act notwithstanding, a motor vehicle franchisor may:

a. Permit an existing franchisee to relocate his franchise within *[1 mile]* ***2 miles*** of the franchisee's existing franchise location; or

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

6. The hearing referred to in section 4 of this act shall be conducted as a contested case in accordance with the provisions of the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1 et seq.) ***and P. L. 1978, c. 67 (C. 52:14F–1 et seq.)*** and shall begin not later than *[90]* ***60*** days after the filing of the protest unless the time is extended for good cause shown. The testimony taken at the hearing shall be under oath and recorded **[stenographically]** ***verbatim***, but the parties shall not be bound by the rules of evidence. True copies of any transcript and of any other record made of or at the hearing shall be furnished to any party upon request and at that party's expense. The committee may subpena witnesses and compel their attendance, administer oaths and require the production for examination of any books or papers relating to any matter involved in the hearing. The committee, at the request of any party, may subpena and compel the attendance of such witnesses as the party ~~may~~ designate and require the produc-

tion for examination of any books or papers relating to any matter involved in the hearing.

7. When a protest has been filed, as provided for in this act, the motor vehicle franchisor shall not grant, relocate, reopen or reactivate the proposed franchise or establish, relocate, reopen or reactivate the proposed business until the committee has made a final determination that that action does not violate this act.

8. In determining whether the grant, relocation, reopening or reactivation of a franchise or establishment, relocation, reopening or reactivation of a business will be injurious to existing franchisees and*[, thereby,]* to the public interest, the committee may consider, but shall not be limited to considering the following:

a. The effect that the proposed franchise or business would have on the provision of stable, adequate and reliable sales and service to purchasers of vehicles in the same line make in the relevant market area;

b. The effect that the proposed franchise or business would have on the stability of existing franchisees in the same line make in the relevant market area;

c. Whether the existing franchisees in the same line make in the relevant market area are providing adequate and convenient consumer service for motor vehicles of the line make in the relevant market area, which shall include the adequacy of motor vehicle sales and service facilities, equipment, supply of motor vehicle parts and qualified service personnel*[.]* *;*

**d. The effect on a relocating dealer of a denial of its relocation into the relevant market area.*

*9. The committee shall award reasonable litigation costs and reasonable attorney fees to any person ultimately prevailing, either as petitioner or respondent, in any administrative proceeding under this act. The committee shall assess from the person ultimately not prevailing, and shall transfer to the Office of Administrative Law, the administrative hearing costs resulting from a protest filed pursuant to this act. Administrative hearing costs shall be based on a billing rate established by the Office of Administrative Law and approved by the Director of Budget and Accounting.**

[9.] **10.** The committee may promulgate such rules and regulations as are necessary to implement the provisions of this act.

[10.] **11.** This act shall take effect immediately.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

September 20, 1982

ASSEMBLY BILL NO. 636 (2nd OCR)

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the Constitution, I herewith return Assembly Bill No. 636 (2nd OCR) with my objections and recommendations for amendment.

This bill creates a three-person arbitration committee that will provide a forum for disputes that may arise between motor vehicle franchisors and franchisees concerning the establishment of new motor vehicle dealerships within a certain geographical area. The Committee, to be known as the "Motor Vehicle Franchise Committee," will consist of the Director of the Division of Motor Vehicles, the Commissioner of Commerce and the Director of Consumer Affairs.

Under the bill, an existing motor vehicle franchisee who is located within 8 miles of a new franchise may object to the Motor Vehicle Franchise Committee. The Committee - either directly or through the Office of Administrative Law - must then resolve the dispute by conducting a hearing within sixty days after the filing of the protest. Although the measure requires the hearing to start within sixty days, it provides no period of time for the completion of the protest. While the hearings are underway, the proposed franchisee is prohibited from conducting any business. Once the hearing is completed, the Committee may award reasonable attorney's fees and costs to the prevailing party.

New Jersey has long been in the forefront of legislation concerning franchises. I believe that our Franchise Practices Act is one of the fairest and most reasonable legislative reactions to the franchising boom. Nevertheless, it is clear to me that the protections afforded by that Act can be eroded if a motor vehicle franchisor unfairly attempts to insert a new dealership in close proximity to another dealership, thereby evading the reach of our Franchise Practices Act. At the same time, however, I believe that this bill does not take into account the financial considerations and human commitment that must be made to establish a motor vehicle franchise. For example, this bill provides for the commencement of a hearing within sixty days but provides for no date by which the proceedings must be completed. Prolonged hearings will place undue economic pressure on the new dealer who must sit idly by and await the outcome of the hearing. Accordingly, I recommend that the bill be amended to require that the proceeding be completed within 120 days after the filing of the protest unless extended for good cause shown.

This bill does not require a franchisee to set forth reasons for objecting to establishment of a new franchise nor must he make a preliminary showing that he will prevail. It is only fundamentally fair for the franchisor and the proposed new franchisee to know why the business venture is being blocked. An objecting franchisee should be required to set forth reasons for the protest supported by affidavits. This requirement will serve to expedite the hearing process and narrow the issues to be decided by the Motor Vehicle Franchise Committee. In addition, the objecting franchise should be required to make a prima facie case that he will prevail on the merits in order for the protest to halt the franchisor's activity during the proceedings.

Accordingly, I recommend the following amendments for concurrence by the Legislature:

Page 3, Section 4, line 11: After "later." insert "A protest shall set forth all reasons for objecting to the granting, reopening, or reactivation of a franchise and shall be accompanied by a concise statement of the facts and supporting affidavits for all issues raised in the protest."

Page 3, Section 6, lines 4-5: After "C.52:14-F-1 et seq.)" insert "." and delete "and shall begin not later than 60". Insert "The Committee shall make its final determination within 120"

Page 3, Section 6, line 6: After "extended" insert "by the Committee"

Page 4, Section 7, line 1: After "act," insert "the franchisee may move for a determination by the Committee that a prima facie case has been made that the final determination will be in favor of the franchisee. If such a finding is made,"

Respectfully,

GOVERNOR

Attest:

Chief Counsel

CHAPTER 156 LAWS OF N. J. 1982
APPROVED 10-27-82

[THIRD OFFICAL COPY REPRINT]

ASSEMBLY, No. 636

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 1, 1982

By Assemblymen KARCHER and D. GALLO

Referred to Committee on Transportation and Communications

AN ACT regulating the granting, relocation, reopening, reactivation, or establishment of motor vehicle franchises and businesses on the retail level by motor vehicle franchisors, establishing a Motor Vehicle Franchise Committee and supplementing Title 56 of the Revised Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. As used in this act:

a. "Committee" means the Motor Vehicle Franchise Committee established in section 2 of this act;

b. "Franchise" means a written arrangement for a definite or indefinite period in which a motor vehicle franchisor grants a right or license to use a trade name, trademark, service mark or related characteristics and in which there is a community of interest in the marketing of new motor vehicles at retail, by lease, agreement or otherwise;

c. "Franchisee" means a natural person, corporation, partnership or entity to whom a franchise is granted by a motor vehicle franchisor;

**d. *"Motor vehicle" or "new motor vehicle" means only a newly manufactured motor vehicle, except a nonconventional type of motor vehicle, and includes all such vehicles propelled otherwise than by muscular power, and motorcycles, trailers and tractors, excepting such vehicles as run only upon rails or tracks and motorized bicycles; a "nonconventional type of motor vehicle" means*

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 printed in italics *thus* is new matter.
Matter enclosed in asterisks or stars has been adopted as follows:
***—Assembly committee amendments adopted May 17, 1982.**
****—Senate committee amendments adopted June 14, 1982.**
*****—Assembly amendments adopted in accordance with Governor's recommendations September 20, 1982.**

12G *every vehicle not designed or used primarily for the transportation*
12H *of persons or property and only incidentally operated or moved*
12I *over a highway;***

13 **[d.]** ***e.*** "Motor vehicle franchisor" means a natural per-
14 son, corporation, partnership or entity engaged in the business of
15 manufacturing, assembling or distributing new motor vehicles, who
16 will under normal business conditions during the year, manufacture,
17 assemble or distribute at least 10 new motor vehicles;

18 **[e.]** ***f.*** "Relevant market area" means a geographic area
19 *[10]* **8** miles in radius from a proposed franchise or business,
20 but if there are no existing franchisees in the same line make within
21 a *[10]* **8** mile radius of the proposed franchise or business, then
22 the relevant market area includes the next closest existing fran-
23 chisee in the same line make *[beyond the 10-mile]* ***within a*
24 *14-mile** radius.

1 2. There is established in the Executive Branch of the State
2 Government a committee which shall be known as the Motor Vehicle
3 Franchise Committee. The committee shall consist of the Director
4 of the Division of Motor Vehicles, the Commissioner of the De-
5 partment of Commerce and Economic Development and the
6 Director of the Division of Consumer Affairs. The Director of the
7 Division of Motor Vehicles shall be the chairman of the committee.
8 The committee shall meet from time to time at the call of the chair-
9 man, for the purpose of conducting hearings and rendering final
10 determinations as provided for in this act. All papers required to
11 be filed with the committee pursuant to this act shall be filed with
12 the Director of the Division of Motor Vehicles. For purposes of
13 complying wtih the provisions of Article V, Section IV, paragraph
14 1 of the New Jersey Constitution, the committee is allocated within
15 the Department of Law and Public Safety, but notwithstanding
16 that allocation, the committee shall remain independent of any
17 supervision or control by the department or by any personnel
18 thereof.

1 3. No motor vehicle franchisor shall grant, relocate, reopen or
2 reactivate a franchise or establish, relocate, reopen or reactivate
3 a business, for the purpose of doing business on the retail level,
4 if the franchise or business will be injurious *[to existing fran-
5 chisees of the same line make within the relevant market area and,
6 thereby, to the public interest]* as determined pursuant to section
7 8 of this act.

1 4. A motor vehicle franchisor shall give its existing franchisees
2 in the same line make within the relevant market area *[120]*
3 **90** days advance written notice of its intention to grant, relocate,

reopen or reactivate a franchise of the same line make or establish, relocate, reopen or reactivate a business. Any franchisee who is entitled to receive the written notice may file with the committee a protest to the granting, relocating, reopening or reactivation of the franchise or the establishment, relocation, reopening or reactivation of the business within 30 days of receipt of the notice or 30 days after the end of any appeal procedure provided by the motor vehicle franchisor, whichever is later. ****A protest shall set forth all reasons for objecting to the granting, reopening, or reactivation of a franchise and shall be accompanied by a concise statement of the facts and supporting affidavits for all issues raised in the protest.**** When a protest is filed, the **chairman of the** committee shall notify the motor vehicle franchisor and the franchisee in writing that it has been filed and shall *[set forth in the written notice the date, time and place where a hearing on the protest shall be heard. The motor vehicle franchisor shall have the burden of establishing that the grant, relocation, reopening or reactivation of the proposed franchise or the establishment, relocation, reopening or reactivation of the proposed business complies with the provisions of this act]* **forthwith determine either to transmit the protest to the Office of Administrative Law for hearing or to conduct a hearing directly*.

5. The provisions of sections 3 and 4 of this act notwithstanding, a motor vehicle franchisor may:

a. Permit an existing franchisee to relocate his franchise within *[1 mile]* **2 miles* of the franchisee's existing franchise location;

4A or

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

6. The hearing referred to in section 4 of this act shall be conducted as a contested case in accordance with the provisions of the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1 et seq.) **and P. L. 1978, c. 67 (C. 52:14F–1 et seq.)* ***[and shall begin not later than *[90]* **60*]*** ***. *The committee shall make its final determination within 120**** days after the filing of the protest unless the time is extended ****by the committee**** for good cause shown. The testimony taken at the hearing shall be under oath and recorded **[stenographically]** **verbatim*, but the parties shall not be bound by the rules of evidence. True copies of any transcript and of any other record made of or at the hearing shall be furnished to any party upon request and at that party's

13 expense. The committee may subpena witnesses and compel their
14 attendance, administer oaths and require the production for ex-
15 amination of any books or papers relating to any matter involved
16 in the hearing. The committee, at the request of any party, may
17 subpena and compel the attendance of such witnesses as the party
18 may designate and require the production for examination of any
19 books or papers relating to any matter involved in the hearing.

1 7. When a protest has been filed, as provided for in this act,
2 ****the franchisee may move for a determination by the committee*
3 *that a prima facie case has been made that the final determination*
4 *will be in favor of the franchisee. If such a finding is made,**** the
5 motor vehicle franchisor shall not grant, relocate, reopen or
6 reactivate the proposed franchise or establish, relocate, reopen or
7 reactivate the proposed business until the committee has made a
8 final determination that that action does not violate this act.

1 8. In determining whether the grant, relocation, reopening or
2 reactivation of a franchise or establishment, relocation, reopening
3 or reactivation of a business will be injurious to existing franchisees
4 and*[, thereby,]* to the public interest, the committee may con-
5 sider, but shall not be limited to considering the following:

6 a. The effect that the proposed franchise or business would have
7 on the provision of stable, adequate and reliable sales and service
8 to purchasers of vehicles in the same line make in the relevant
9 market area;

10 b. The effect that the proposed franchise or business would have
11 on the stability of existing franchisees in the same line make in the
12 relevant market area;

13 c. Whether the existing franchisees in the same line make in the
14 relevant market area are providing adequate and convenient con-
15 sumer service for motor vehicles of the line make in the relevant
16 market area, which shall include the adequacy of motor vehicle sales
17 and service facilities, equipment, supply of motor vehicle parts and
18 qualified service personnel*[.]* *;*

19 **d. The effect on a relocating dealer of a denial of its relocation*
20 *into the relevant market area.*

1 *9. The committee shall award reasonable litigation costs and*
2 *reasonable attorney fees to any person ultimately prevailing,*
3 *either as petitioner or respondent, in any administrative pro-*
4 *ceeding under this act. The committee shall assess from the person*
5 *ultimately not prevailing, and shall transfer to the Office of*
6 *Administrative Law, the administrative hearing costs resulting*
7 *from a protest filed pursuant to this act. Administrative hearing*

*costs shall be based on a billing rate established by the Office of Administrative Law and approved by the Director of Budget and Accounting.**

[9.] ***10.*** The committee may promulgate such rules and regulations as are necessary to implement the provisions of this act.

[10.] ***11.*** This act shall take effect immediately.

OFFICE OF THE GOVERNOR

RELEASE: IMMEDIATE CONTACT: PAUL WOLCOTT

WEDNESDAY, OCTOBER 27, 1982

Governor Thomas H. Kean has signed the following bills:

A-636, sponsored by Assembly Speaker Alan Karcher and Minority Leader Dean Gallo, which creates a Motor Vehicle Franchise Committee to consider protests from automobile dealers over a new franchise being established within an eight mile radius of an existing franchise.

A-364, sponsored by Assemblyman Joseph V. Doria, D-Hudson, which requires the Department of Education to negotiate a contract with appropriate Federal agencies for children who live on federal property and attend local public schools. The bill was promoted by cutbacks in Federal aid to school districts which teach the children of military personnel.

A-940/S-887, sponsored by Assemblyman Eugene H. Thompson, D-Essex and State Senator Wynona M. Lipman, D-Essex, which allows special policemen in Newark to carry firearms while off-duty within the municipality, so long as they are residents of the municipality, work at least 35 hours a week as special policemen, hold a high school diploma and pass a course on firearms, power of arrest and criminal law and procedure.

All three of these bills were conditionally vetoed by the Governor and subsequently signed after legislative concurrence with the conditions of the veto.

S-1646, sponsored by State Senator Leonard T. Connors Jr., R-Ocean validates a bond proceeding for the borough of Beachwood, Ocean County.

########