

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 1309

A bill to amend 1981 PA 118, entitled

"An act to regulate motor vehicle manufacturers, distributors, wholesalers, dealers, and their representatives; to regulate dealings between manufacturers and distributors or wholesalers and their dealers; to regulate dealings between manufacturers, distributors, wholesalers, dealers, and consumers; to prohibit unfair practices; to provide remedies and penalties; and to repeal certain acts and parts of acts,"

by amending sections 5 and 6 (MCL 445.1565 and 445.1566), section 5 as amended by 1998 PA 456 and section 6 as amended by 1983 PA 188.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 5. (1) "New motor vehicle" means a motor vehicle ~~which~~  
2 **THAT** is in the possession of the manufacturer, distributor, or  
3 wholesaler, or has been sold only to a new motor vehicle dealer and

1 ~~en~~ FOR which the **NEW MOTOR VEHICLE DEALER HAS NOT ISSUED AN**  
2 original title. ~~has not been issued from the new motor vehicle~~  
3 ~~dealer.~~

4 (2) "New motor vehicle dealer" means a person, including a  
5 distributor, ~~who~~ **THAT** holds a dealer agreement granted by a  
6 manufacturer, distributor, or importer for the sale or distribution  
7 of its motor vehicles; ~~who~~ is engaged in the business of  
8 purchasing, selling, exchanging, or dealing in new motor vehicles;  
9 and ~~who~~ has an established place of business in this state.

10 (3) "Person" means a natural person, partnership, corporation,  
11 **LIMITED LIABILITY COMPANY**, association, trust, estate, or other  
12 legal entity.

13 (4) "Proposed new motor vehicle dealer" means a person who has  
14 an application pending for a new dealer agreement with a  
15 manufacturer or distributor. Proposed motor vehicle dealer does not  
16 include a person whose dealer agreement is being renewed or  
17 continued.

18 Sec. 6. (1) "Relevant market area" means **1 OF THE FOLLOWING:**

19 (a) ~~For a proposed new motor vehicle dealer or a new motor~~  
20 ~~vehicle dealer who plans to relocate his or her place of business~~  
21 ~~in a county having a population which is greater than 25,000, the~~  
22 ~~area within a radius of 6 miles of the intended site of the~~  
23 ~~proposed or relocated dealer. The 6 mile distance shall be~~ **IN A**  
24 **COUNTY THAT HAS A POPULATION OF MORE THAN 150,000, THE AREA WITHIN**  
25 **A RADIUS OF 9 MILES OF THE SITE OF THE INTENDED PLACE OF BUSINESS**  
26 **OF A PROPOSED NEW VEHICLE DEALER OR THE INTENDED PLACE OF BUSINESS**  
27 **OF A NEW VEHICLE DEALER THAT PLANS TO RELOCATE ITS PLACE OF**

1 BUSINESS. FOR PURPOSES OF THIS SECTION, THE 9-MILE DISTANCE IS  
2 determined by measuring the distance between the nearest surveyed  
3 boundary of ~~the~~AN existing new motor vehicle dealer's principal  
4 place of business and the nearest surveyed boundary line of the  
5 proposed or relocated new motor vehicle dealer's principal place of  
6 business.

7 (b) ~~For a proposed new motor vehicle dealer or a new motor~~  
8 ~~vehicle dealer who plans to relocate his or her place of business~~  
9 ~~in a county having a population which is not greater than 25,000,~~  
10 ~~the area within a radius of 10 miles of the intended site of the~~  
11 ~~proposed or relocated dealer, or the county line, whichever is~~  
12 ~~closer to the intended site. The 10-mile distance shall be~~IN A  
13 COUNTY THAT HAS A POPULATION OF 150,000 OR FEWER, THE AREA WITHIN A  
14 RADIUS OF 15 MILES OF THE SITE OF THE INTENDED PLACE OF BUSINESS OF  
15 A PROPOSED NEW VEHICLE DEALER OR THE INTENDED PLACE OF BUSINESS OF  
16 A NEW VEHICLE DEALER THAT PLANS TO RELOCATE ITS PLACE OF BUSINESS.  
17 FOR PURPOSES OF THIS SECTION, THE 15-MILE DISTANCE IS determined by  
18 measuring the distance between the nearest surveyed boundary line  
19 of ~~the~~AN existing new motor vehicle dealer's principal place of  
20 business and the nearest surveyed boundary line of the proposed or  
21 relocated new motor vehicle dealer's principal place of business.

22 (2) "SUCCESSOR MANUFACTURER" MEANS A MANUFACTURER THAT  
23 ACQUIRES, SUCCEEDS TO, OR ASSUMES ANY PART OF THE BUSINESS OF  
24 ANOTHER MANUFACTURER AS THE RESULT OF ANY OF THE FOLLOWING:

25 (A) A CHANGE IN OWNERSHIP, OPERATION, OR CONTROL OF A  
26 PREDECESSOR MANUFACTURER BY SALE OR TRANSFER OF ASSETS, CORPORATE  
27 STOCK, OR OTHER EQUITY INTEREST, ASSIGNMENT, MERGER, CONSOLIDATION,

1 COMBINATION, JOINT VENTURE, REDEMPTION, COURT-APPROVED SALE,  
2 OPERATION OF LAW, OR ANY OTHER MEANS.

3 (B) TERMINATION, SUSPENSION, OR CESSATION OF A PART OR ALL OF  
4 THE BUSINESS OPERATIONS OF A PREDECESSOR MANUFACTURER.

5 (C) DISCONTINUANCE OF THE SALE OF A PRODUCT LINE.

6 (D) A CHANGE IN DISTRIBUTION SYSTEM BY A PREDECESSOR  
7 MANUFACTURER, WHETHER THROUGH A CHANGE IN DISTRIBUTOR OR THE  
8 PREDECESSOR MANUFACTURER'S DECISION TO CEASE CONDUCTING ANY  
9 BUSINESS THROUGH A PARTICULAR DISTRIBUTOR.

10 (3) "USED MOTOR VEHICLE" MEANS A MOTOR VEHICLE THAT IS NOT A  
11 NEW MOTOR VEHICLE.

12 (4) "USED MOTOR VEHICLE DEALER" MEANS A PERSON THAT IS ENGAGED  
13 IN THE BUSINESS OF PURCHASING, SELLING, EXCHANGING, OR DEALING IN  
14 USED MOTOR VEHICLES AND THAT HAS AN ESTABLISHED PLACE OF BUSINESS  
15 IN THIS STATE AT WHICH IT CONDUCTS THAT BUSINESS. THE TERM DOES NOT  
16 INCLUDE A NEW MOTOR VEHICLE DEALER PURCHASING, SELLING, EXCHANGING,  
17 OR DEALING IN USED MOTOR VEHICLES AS PART OF ITS BUSINESS OF  
18 PURCHASING, SELLING, EXCHANGING, OR DEALING IN NEW MOTOR VEHICLES.

19 Enacting section 1. This amendatory act does not take effect  
20 unless all of the following bills of the 95th Legislature are  
21 enacted into law:

22 (a) Senate Bill No. 1308.

23 (b) House Bill No. 6099.

24 (c) House Bill No. 6100.