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LB 1018

have some recourse through the licensing board,...

SENATOR CUDABACK: Time.

SENATOR BROMM: ...to the bond and those par...

SENATOR CUDABACK: Thank you, Senator Chambers. Senator Beutler, on the advancement of LB 1018 to E & R for engrossing.

SENATOR BEUTLER: Senator Bromm, if I could ask you a couple questions. And these may have been discussed previously, but a senator asked me a question and I couldn't give the answer, and I'm interested in what the answer is. On the E & R amendments, pages 16 and 17, there is some new language, has to do with establishing separate consumer care or service facilities in communities previously assigned to an existing franchisee. It says that you can't establish them, unless there is good cause in those particular areas. When under a franchise arrangement, I think it's typical that it might provide that when the size of the community increased by 10 or 20 percent or 50 percent, that the franchisees would either be required to establish another site in another part of that assigned area. And if they don't, there may even be provisions in the contract whereby the manufacturer can ask somebody else to do it, in other words, to be sure that the population in a particular area is properly serviced. This provision, however, seems to say, with respect to a part of the operation, and I understand that there's another reason for this provision, but it seems to say literally that with respect to a part of a franchise operation, that is that part that has to do with consumer care or service facility, to perform repairs and service, that the franchisor could not establish under any conditions, without a showing of good cause, whatever that means, in the same manner as required for an additional franchise. So does that language mean that if they have standard language that provides for an additional franchise, they could do that, and there could be a repair facility then located, an additional repair facility then located...I mean this isn't establishing any sort of monopoly within a franchise area, is it, except insofar as the agreement between the original franchisee and the franchisor may have so provided.