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FLOOR DEBATE

January 23, 2003 LB 182

Committee. (Read title.) Introduced on January 10 of this year, referred to the Transportation and Telecommunications Committee, advanced to General File. I have no amendments to the bill.

SPEAKER BROMM: Thank you, Mr. Clerk. Senator Baker to open on LB 182.

SENATOR BAKER: Thank you, Mr. Speaker and members. This bill is an outgrowth of a court case that was issued by...a ruling by the Nebraska Supreme Court, came out of Omaha, dealing with a franchise agreement that failed to stipulate an area of responsibility or community. The court said that the solution was legislative, and that other states had solved the issue by, one, either requiring that the franchise agreement stipulate an area of responsibility, or, if that did not occur, then legislatively fixing an area of responsibility that wasn't done in the franchise agreement. It's a bill we had last year in the committee. It was a committee bill last year. It came out of committee 8 to 0. We had a hearing, of course, this year. It came out of committee 8 to 0 again. I'll tell you what it does not do. It does not place any restrictions whatsoever on an existing franchise. It does not restrict where anyone can buy a vehicle. You don't have to buy it in any particular area. You can go wherever you please. What it does do is it states that if a manufacturer wants to put another franchise within an area and does not define that franchise area in the franchise agreement, then the area...the community the franchise serves would be in a five-mile radius of the dealership, in a metropolitan class city. If it's not a metropolitan class city, then the county would be the community served. So those are the two big issues. It does not affect anyone in business now. It does not affect where you can buy a car. It simply puts in statute the fact that if the franchise agreement does not stipulate an area of community, then it shall be a five-mile radius in a city of the metropolitan class, or, if it's not a metropolitan class city, then it shall be the county will be their community of interest. And that's the bill in total. I'll be glad to answer any questions. Thank you.

SPEAKER BROMM: Thank you, Senator Baker. Any persons wishing