

SB 91 is SUPPORTED by several industries, representing over 100,000 jobs in Colorado!



**Senate Sponsor: Romer; Co-Sponsors: Groff, Penry
House Sponsor: Rice; Co-Sponsors: A. Kerr, Marostica, Stephens**

- ✓ **Colorado Automobile Dealers Association**, representing **270 dealers** and approximately **30,000 employees** in Colorado.
- ✓ **Colorado Motor Carriers Association**, representing **600 members** and approximately **70,000 employees** in Colorado.
- ✓ **Colorado Independent Automobile Dealers Association**, representing **1,175 dealers** and approximately **5,000 employees** in Colorado.
- ✓ **Powersports Dealers Association of Colorado**, representing **80 dealers** and approximately **1,000 employees** in Colorado.
- ✓ **Colorado Auto Brokers Association**, representing **6 brokers** and **250 employees** in Colorado.
- ✓ **Colorado Recreational Vehicle (RV) Association**, representing **21 dealers** and approximately **500 employees** in Colorado.
- ✓ **Navistar, Inc. (formerly International Truck & Engines)**, representing approximately **20 employees** in Colorado.

SB 91 Summary

1. Warranty and Sales Incentives Audits

Current law: Colorado currently has no protections related to manufacturers' warranty and sales incentive audits.

Proposed change: 12 month deadline, beyond which compliance is voluntary. Both dealer and manufacturer have the same 12 month deadline within which warranty and sales incentive audits must take place.

2. Dualing

Current law: Some restrictions on manufacturer's ability to require a dealer to maintain exclusive facilities

Proposed change: Outright prohibition on manufacturers requiring dealers to maintain exclusive facilities.

3. Incentives tied to facilities upgrades

Current law: Silent

Proposed change: Participation in incentive programs, including but not limited to sales incentives, service incentives, parts incentives and finance incentives, which are tied to facilities upgrades shall be voluntary on the part of the dealer and must be applied equally to all dealers.

4. Pricing variances based on sales volume.

Current law: Silent

Proposed change: Whatever incentives are offered by manufacturer to dealers in states outside of Colorado must also be offered in Colorado.

5. Termination & Market Withdrawal

Current law: Silent

Proposed change: Manufacturer payment to dealer on market withdrawal to include payment of fair market value of franchise to dealer including goodwill payment for leased property. Termination payment to be calculated by a CPA.

6. Buy/Sell/Transfer/Change of Management/Relocation

Current law: Provides some protections for dealers against terminations, cancellations and non-renewals of their franchises without “just cause.” However, Colorado does not have standards for evaluating a dealer’s request to relocate an existing dealership.

Proposed change(s):

- a. Overall approval or denial on dealer location – 30 days.
- b. Approval or denial of changes in executive management – 30 days.
- c. Approval or denial of relocation – 30 days.
- d. If manufacturer exercises right of refusal, manufacturer to pay “unwind” fees incurred by prospective purchaser and seller for money spent pursuing the sale.
- e. Regarding new franchises only, reduce timeframe manufacturer can own a dealership to 12 months.
- f. Prohibit site control as a requirement for approval of a proposed transfer/acquisition/relocation of dealership or renewal of sales and service agreement.

7. “Grandfather-in” Existing Used Dealers but prohibit future licenses

Current law: Manufacturer may sell used motor vehicles.

Proposed change: Manufacturer may only sell used motor vehicles if they owned, operated, or controlled the used motor vehicle dealer prior to January 1, 2009.

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