

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 983

H. P. 783

House of Representatives, March 5, 1979

On Motion of Mr. Howe of South Portland, referred to the Committee on Business Legislation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Sprowl of Hope.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-NINE

**AN ACT to Prohibit Automobile Franchisors from Granting New Franchises  
within the Relevant Market Area of Existing Franchises.**

Be it enacted by the People of the State of Maine, as follows:

**10 MRSA § 1174, sub-§ 3, ¶ M** is enacted to read:

**M.** To grant a franchise for sale or distribution of motor vehicles within the relevant market area of an existing franchise where motor vehicles of the same line make are currently being distributed. As used in this subsection, the "relevant market area" of a motor vehicle dealer with respect to any given line make is the more narrowly defined and circumscribed geographical area immediately surrounding its existing dealer location within which it obtained, during the period of time the dealership business has been operated from the location or the 3-year period immediately preceding the date of the notice of intent to grant or enter into an additional franchise or selling agreement, whichever is the lesser, at least 2/3 of its retail sales of new motor vehicles of the line make or its retail service sales, regardless of whether its franchise or selling agreement delineates or establishes a specific area of responsibility or whether, by custom or usage, a specific area of responsibility has been established or another motor vehicle dealer with a franchise or selling agreement covering the same line make has a place of business in the market area.

## STATEMENT OF FACT

This bill will make it an unfair method of competition and an unfair and deceptive practice for a motor vehicle manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesale branch or division, or officer, agent or representative thereof, to interfere with an existing dealer's vested franchise rights by the granting of a similar franchise within the dealer's relevant market area.