

# MAINE STATE LEGISLATURE

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DATE: 4/27/00

(Filing No. S-787)

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STATE OF MAINE  
SENATE  
119TH LEGISLATURE  
SECOND REGULAR SESSION

SENATE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to S.P. 681, L.D. 1931, Bill, "An Act to Amend the Franchise Law"

Amend the amendment by striking out all of the first indented paragraph after the title and inserting in its place the following:

'Amend the bill by striking out everything after the title and before the summary and inserting in its place the following:

'Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the study commission established in this Act must report by November 1, 2000; and

Whereas, in order to complete its work and make its report in a timely fashion, the study commission must be convened as soon as possible; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

SENATE AMENDMENT

Further amend the amendment by striking out all of section 3.

Further amend the amendment by inserting after section 4 the following:

**Sec. 5. Study commission established.** The Commission to Study the Most Effective Method of Providing Retail Rate Reimbursement for Parts and Labor, referred to in this section as the "commission," is established to study the most effective method of providing retail rate reimbursement under the Maine Revised Statutes, Title 10, section 1176 while protecting the interests of warranty and nonwarranty repair customers, the ability of franchisees to effectively receive reimbursement at retail rates and the interests of franchisors in relation to making such retail parts and labor reimbursement.

**1. Membership.** The commission consists of 7 members appointed as follows:

A. Two members of the Senate, appointed by the President of the Senate, one of whom must be a member of a political party that does not hold a majority of seats in that body;

B. Two members of the House of Representatives, appointed by the Speaker of the House, one of whom must be a member of a political party that does not hold a majority of seats in that body;

C. One motor vehicle dealer franchisee who is a member of the Maine Auto Dealers Association and is from a dealership within 50 miles of the border of New Hampshire, appointed by the Speaker of the House;

D. One motor vehicle dealer franchisee who is a member of the Maine Auto Dealers Association appointed by the President of the Senate; and

E. One franchisor who is a member of the Alliance of Automobile Manufacturers, appointed by the Governor.

**2. Appointments; chairs; convening.** The appointments of members of the commission must be made no later than 30 days following the effective date of this section. The appointing authorities shall notify the Executive Director of the Legislative Council upon making their appointments. The Senate member is the Senate chair and the House member is the House chair. Within 30 days after appointment of all members, the chairs of the commission shall call and convene the first meeting of the commission.

3. **Duties.** The commission shall study the Maine Revised Statutes, Title 10, section 1176 to determine the best manner in which to implement the retail reimbursement provisions for parts and labor for warranty work while protecting the interests of warranty and nonwarranty repair consumers, the interests of franchisees in receiving retail rate reimbursements and the question of cost recovery by franchisors.

4. **Report.** The commission shall submit a report of its findings and recommendations and accompanying legislation to the joint standing committee of the Legislature having jurisdiction over business and economic development matters no later than November 1, 2000. The joint standing committee of the Legislature having jurisdiction over business and economic development matters may report out a bill based upon the report. If the commission requires a limited extension of time to make its report it may apply to the Legislative Council which may grant the extension.

5. **Staff assistance.** The commission may request staffing assistance from the Legislative Council.

6. **Compensation.** The legislative members are entitled to receive the legislative per diem and reimbursement for necessary expenses for their attendance at authorized meetings of the commission. Public members not otherwise compensated by their employers or other entities whom they represent are entitled to receive reimbursement of necessary expenses for their attendance at authorized meetings of the commission.

7. **Commission budget.** The chairs of the commission, with assistance from the commission staff, shall administer the commission budget. Within 10 days after its first meeting, the commission shall present a work plan and proposed budget to the Legislative Council for its approval. The commission may not incur expenses that would result in the commission's exceeding its approved budget. Upon request from the commission, the Executive Director of the Legislative Council or the executive director's designee shall provide the commission chairs and staff with a status report on the commission budget, expenditures incurred and paid and available funds.

**Sec. 6. Appropriation.** The following funds are appropriated from the General Fund to carry out the purposes of this Act.

2000-01

LEGISLATURE

**Commission to Study the Most Effective  
Method of Providing Retail Rate  
Reimbursement for Parts and Labor**

Personal Services	\$880
All Other	1,300

Provides funds for the per diem and expenses of legislative members of the Commission to Study the Most Effective Method of Providing Retail Rate Reimbursement for Parts and Labor and to print the required report.

**LEGISLATURE  
TOTAL**

\$2,180

**Emergency clause.** In view of the emergency cited in the preamble, section 4 of this Act takes effect when approved.'

Further amend the amendment by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

**FISCAL NOTE**

This amendment increases the General Fund cost of the bill by \$840 in fiscal year 2000-01.

As amended, this bill includes a General Fund appropriation of \$2,180 in fiscal year 2000-01 for the Legislature for the per diem and expenses of legislative members of the Commission to Study the Most Effective Method of Providing Retail Rate Reimbursement for Parts and Labor and to print the required report.

The additional costs associated with providing staffing assistance to the commission during the interim between legislative sessions can be absorbed by the Legislature utilizing existing budgeted resources.

**SUMMARY**

This amendment incorporates Senate Amendment "A" to Committee Amendment "A" and makes the following additional changes:

SENATE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to S.P. 681,  
L.D. 1931

1. It adds an emergency preamble and an emergency clause;

2. It increases from 5 to 7 the membership of the  
Commission to Study the Most Effective Method of Providing Retail  
Rate Reimbursement for Parts and Labor;

3. It changes the reporting date to November 1, 2000;

4. It authorizes reimbursement for public members not  
otherwise compensated; and

5. It provides that the section of the bill as amended that  
establishes the study commission takes effect when approved.

SPONSORED BY: *Michael H. Michaud*  
(Senator MICHAUD) *MB*

COUNTY: Penobscot