

SUBCOMMITTEE REPORT ON AUTOMOBILE  
DEALERSHIP FRANCHISES - SENATE FILE 539

Interim Report

The Subcommittee on Automobile Dealership Franchises was created by the Committee on Commerce during the 1969 interim study period. The Subcommittee was authorized four meetings. The following legislators were appointed to the Subcommittee:

Senator Jim Griffin, Chairman  
Senator Harold A. Thordsen  
Senator J. Donald Weimer  
Representative Frank A. Crabb  
Representative Dennis L. Freeman  
Representative Clair Strand

The Subcommittee held its first meeting in Council Bluffs at the Holiday Inn on September 22, 1969, at which time the Subcommittee members heard testimony and facts were presented to substantiate the automobile dealers view. The entire meeting was devoted to the dealers.

The second meeting of the Subcommittee was held at Johnny's and Kay's in Des Moines on October 27, 1969. This meeting was devoted entirely to the automobile manufacturers. Evidence was presented by the manufacturers that the charges by the dealers were not substantiated and that no legislation was needed.

The Subcommittee held its third meeting at the Capitol on November 21, 1969. At that meeting the entire day was made available to both the dealers and manufacturers to answer the charges that were leveled at each other in the previous two meetings. The Subcommittee benefited very much from these three meetings because it was able to view objectively the facts presented.

The fourth Subcommittee meeting was held December 8, 1969 at the Capitol to discuss the merits of S. F. 539 as presented to the Subcommittee. Discussion by the Subcommittee on the whole was lively and all sides of the situation were brought to light. General agreement indicated that there was some need for legislation, but not as written in S. F. 539.

At this time Chairman Griffin presented to all parties concerned a rewritten franchise bill referred to in the minutes as the "Griffin Bill". After some discussion by the members, Representative Crabb moved that the Committee recommend that the bill as revised by Chairman Griffin be returned to the Commerce Committees

of the House and Senate for further study during the Second Session of the Sixty-third General Assembly. The motion was seconded by Representative Strand. The motion carried.

Chairman's Recommendation

It is the Chairman's belief that a consensus has been reached and one more meeting would enable the Subcommittee to make a specific recommendation with respect to the redraft of the proposed bill and conclude the Subcommittee's work. It is not contemplated or desired that any additional testimony be heard. Therefore it is respectfully requested, and it is the recommendation of the Chairman, that one additional meeting of the Subcommittee be authorized prior to January 1, 1970 and, because of the shortness of time, the Subcommittee be instructed to make its report directly to the Commerce Committee of each House with copies to members of the Legislative Council.

Respectfully submitted,

Senator Jim Griffin,  
Chairman