

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

The Committee on **Transportation** recommends **SB 324**, as amended by Senate Committee, be amended on page 2, in line 18, by striking all after "(4)"; by striking all in lines 19 through 41; in line 42, by striking all before the period and inserting "A manufacturer shall not use sales or service performance criteria for the purpose of canceling, terminating or non-renewing a franchise agreement or otherwise rely upon such criteria for purposes related to K.S.A. 8-2414 or 8-2416, and amendments thereto, that fail to meet the requirements of this subsection. A standard measuring sales or service performance of any new vehicle dealer of the manufacturer shall not use criteria that:

(A) Are unfair, unreasonable, arbitrary or inequitable; or

(B) do not consider the relevant and material local and state or regional criteria, including prevailing economic conditions affecting the sales or service performance of a vehicle dealer or any relevant and material data and facts presented by the dealer in writing. Relevant and material criteria, data or facts include, but are not limited to: (i) Those motor vehicle dealerships of comparable size and comparable markets; (ii) demographics in the new vehicle dealers area; (iii) geographic and market characteristics in the new vehicle dealer's area; (iv) the proximity of other new vehicle dealers of the same line and make; (v) the proximity of motor vehicle manufacturing facilities; (vi) the buying patterns and consumer preferences of motor vehicle purchases; and (vii) customer drive time and distance. If such performance measurement criteria are based in whole or in part on a survey, that survey must be based on a statistically significant and valid random sample or must survey a majority of new vehicle retail sales and warranty service

customers of the dealer if the survey is one measuring customer satisfaction of the dealer's sales or service operations. A manufacturer, contractor or common entity or an affiliate that enforces against any vehicle dealer any such performance measurement criteria shall, upon the request of the dealer, describe in writing to the dealer, in detail, how the performance measurement criteria were calculated and uniformly applied and shall also provide any data upon which it relied in reaching the performance standard and applying it to the dealer"; and the bill be passed as amended.

_____Chairperson