

111TH CONGRESS
1ST SESSION

H. R. 2796

To restore the economic rights of automobile dealers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 10, 2009

Mr. LATOURETTE (for himself, Mr. GERLACH, Mr. KUCINICH, Mr. LATTI, Mr. LOBIONDO, Mr. MCCOTTER, Mr. MCHENRY, Mr. MCKEON, Mr. NUNES, Mr. SIMPSON, Mr. TIBERI, Mr. TURNER, Mr. WHITFIELD, Mr. YOUNG of Florida, Mr. YOUNG of Alaska, Mr. THOMPSON of Pennsylvania, and Mrs. BACHMANN) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To restore the economic rights of automobile dealers, and
for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Automobile Dealer
5 Economic Rights Restoration Act of 2009”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

1 (1) Automobile dealers are an asset to auto-
2 mobile manufacturers that make it possible to pene-
3 trate communities and sell automobiles nationally.

4 (2) The manufacturers obtain the benefits from
5 having a national dealer network at no material cost
6 to the manufacturers.

7 (3) Historically, automobile dealers have had
8 franchise agreement protections under State law.

9 **SEC. 3. RESTORATION OF ECONOMIC RIGHTS.**

10 (a) **PRESERVATION OF RIGHTS.**—In order to protect
11 assets of the Federal Government, and better assure the
12 viability of automobile manufacturers in which the Federal
13 Government has an ownership interest, no automobile
14 manufacturer in which the Federal Government has an
15 Federal financial interest or ownership interest may de-
16 prive an automobile dealer of its economic rights under
17 a dealer agreement and must assume (or assign to a suc-
18 cessor) each dealer agreement which is valid and in exist-
19 ence (and has not been lawfully terminated under applica-
20 ble State law) before the date of the commencement of
21 a case under title 11 of the United States Code by such
22 automobile manufacturer.

23 (b) **RESTORATION OF FRANCHISE AGREEMENTS.**—In
24 order to preserve economic rights pursuant to subsection
25 (a), an automobile manufacturer covered under this Act

1 shall to the extent that a valid dealer agreement existing
2 immediately before the date of the commencement of a
3 case under title 11 of the United States Code by such
4 automobile manufacturer is not assumed or assigned to
5 an automobile manufacturer, shall require the new entity
6 created in such case to enter into a new dealer agreement
7 with the dealer whose agreement was not so assumed or
8 assigned, and on the same terms as existed immediately
9 before such date.

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