



State of South Carolina

Office of the Governor

MARK SANFORD
GOVERNOR

POST OFFICE BOX 12267
COLUMBIA 29211

May 14, 2008

The Honorable Robert W. Harrell, Jr.
Speaker of the House of Representatives
Post Office Box 11867
Columbia, South Carolina 29211

Dear Mr. Speaker and Members of the House:

I am vetoing and returning without my approval H. 3084, R-244.

This bill mandates that a motorcycle manufacturer give notice to an existing dealer when the manufacturer intends to open another dealership within 15 miles of the existing dealer, up from the current three-mile radius. Additionally, this bill would give an existing dealer 45 days following notice to the manufacturer to file a civil action if the existing dealer objects to the proposed new dealership. The current law allows 15 days. At this point, a court would determine, based on criteria outlined in the bill, whether or not the manufacturer is able to establish a new franchise in the region.

This legislation is reminiscent of the Soviet-era central planning where the government dictated how the market should look. I believe the opposite, and an underlying tenant of this Administration has been that as a state we should be more competitive, not just with neighboring states, but also nationally and internationally. While we understand that this legislation is an attempt to bring the motorcycle franchise law more in line with the automobile franchise law in South Carolina, our world has changed dramatically from the time that these laws went into effect. We believe, therefore, that moving in this direction represents movement away from free and open markets vital to South Carolina competing in the international arena.

We've always held to the principle that government should not involve itself in the private sector any more than absolutely necessary. That's why our administration has consistently opposed legislation where government unnecessarily takes on the role of choosing where, when, and how the private sector conducts business in South Carolina. Just last year we opposed the Cabela's legislation because we don't think government should be picking winners and losers in the private sector. In the case of Cabela's, the Code would use taxpayer funds to subsidize large, out-of-state businesses at the expense of smaller, local businesses around the state.

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In neither the Cabela's bill nor the bill I am vetoing here are the interests of the consumer – nor is the necessity of a more open marketplace for the consumer – taken into consideration. This bill stands in stark opposition to the notion of free and fair competition in the marketplace, and any attempt to pick winners and losers – especially with retail motorcycle sales – we believe would be unwise at best, and dangerous at worst.

For these reasons, I am vetoing and returning without my approval H. 3084, R-244.

Sincerely,

A handwritten signature in black ink, appearing to be 'MS', written in a cursive style.

Mark Sanford