

HB4925



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4925

Introduced 2/7/2024, by Rep. Jay Hoffman

SYNOPSIS AS INTRODUCED:

815 ILCS 710/10.1

from Ch. 121 1/2, par. 760.1

Amends the Motor Vehicle Franchise Act. Provides that it shall be deemed a violation for a manufacturer, a distributor, a wholesaler, a distributor branch or division, or officer, agent, or other representative thereof to coerce or require any dealer to construct improvements to the dealer's facility at a substantial cost to the dealer or to condition any dealer's eligibility for payments under any discount, credit, rebate, sales incentive, or similar program on the dealer constructing improvements to the dealer's facility at a substantial cost to the dealer. Effective immediately.

LRB103 37949 SPS 68081 b

A BILL FOR

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Motor Vehicle Franchise Act is amended by
5 changing Section 10.1 as follows:

6 (815 ILCS 710/10.1) (from Ch. 121 1/2, par. 760.1)

7 Sec. 10.1. (a) As used in this Section, "motorcycle" means
8 every motor vehicle having a seat or saddle for the use of the
9 rider and designed to travel with 3 or less wheels in contact
10 with the ground, excluding farm, garden, and lawn equipment,
11 and including off-highway vehicles.

12 (b) It shall be deemed a violation for a manufacturer, a
13 distributor, a wholesaler, a distributor branch or division,
14 or officer, agent, or other representative thereof:

15 (1) To require a motorcycle franchisee to participate
16 in a retail financing plan or retail leasing plan or to
17 participate in any retail consumer insurance plan.

18 (2) To own, to operate or to control any motorcycle
19 dealership in this State for a period longer than 2 years.

20 (3) (Blank).

21 (4) To require a motorcycle dealer to utilize
22 manufacturer approved floor fixtures for the display of
23 any product that is not a product of the manufacturer.

1 (5) To require a motorcycle dealer to purchase
2 lighting fixtures that are to be installed in the
3 dealership only from the manufacturer's approved vendors.

4 (6) To require a motorcycle dealer to relocate to a
5 new or alternate facility.

6 (7) To coerce or require any dealer to construct
7 improvements to the dealer's facility at a substantial
8 cost to the dealer or to condition any dealer's
9 eligibility for payments under any discount, credit,
10 rebate, sales incentive, or similar program on the dealer
11 constructing improvements to the dealer's facility at a
12 substantial cost to the dealer.

13 Whenever any motorcycle dealer enters into a franchise
14 agreement, evidenced by a contract, with a wholesaler,
15 manufacturer, or distributor wherein the franchisee agrees to
16 maintain an inventory and the contract is terminated by the
17 wholesaler, manufacturer, distributor, or franchisee, then the
18 franchisee may require the repurchase of the inventory as
19 provided for in this Act. If the franchisee has any
20 outstanding debts to the wholesaler, manufacturer, or
21 distributor, then the repurchase amount may be credited to the
22 franchisee's account. The franchise agreement shall either
23 expressly or by operation of law have as part of its terms a
24 security agreement whereby the wholesaler, manufacturer, or
25 distributor agrees to and does grant a security interest to
26 the motorcycle dealer in the repurchased inventory to secure

1 payment of the repurchase amount to the dealer. The
2 perfection, priority, and other matters relating to the
3 security interest shall be governed by Article 9 of the
4 Uniform Commercial Code. The provisions of this Section shall
5 not be construed to affect in any way any security interest
6 that any financial institution, person, wholesaler,
7 manufacturer, or distributor may have in the inventory of the
8 motorcycle dealer.

9 (c) The provisions of this Section 10.1 are applicable to
10 all new or existing motorcycle franchisees and franchisers and
11 are in addition to the other rights and remedies provided in
12 this Act, and, in the case of a conflict with other provisions
13 contained in this Act, with respect to motorcycle franchises,
14 this Section shall be controlling.

15 (d) The filing of a timely protest by a motorcycle
16 franchise before the Motor Vehicle Review Board as prescribed
17 by Sections 12 and 29 of this Act, shall stay the effective
18 date of a proposed additional franchise or selling agreement,
19 or the effective date of a proposed motorcycle dealership
20 relocation, or the effective date of a cancellation,
21 termination, or modification, or extend the expiration date of
22 a franchise or selling agreement by refusal to honor
23 succession to ownership or refusal to approve a sale or
24 transfer pending a final determination of the issues in the
25 hearing.

26 (Source: P.A. 100-863, eff. 8-14-18.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.