

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