

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. As
13 used in this paragraph (7), "substantial cost" means an
14 amount equal to or greater than 10% of a motorcycle
15 dealer's average annual net profits for the 3 years
16 preceding the proposed improvements to that dealer's
17 facility.

18 Whenever any motorcycle dealer enters into a franchise
19 agreement, evidenced by a contract, with a wholesaler,
20 manufacturer, or distributor wherein the franchisee agrees to
21 maintain an inventory and the contract is terminated by the
22 wholesaler, manufacturer, distributor, or franchisee, then the
23 franchisee may require the repurchase of the inventory as
24 provided for in this Act. If the franchisee has any
25 outstanding debts to the wholesaler, manufacturer, or
26 distributor, then the repurchase amount may be credited to the

1 franchisee's account. The franchise agreement shall either
2 expressly or by operation of law have as part of its terms a
3 security agreement whereby the wholesaler, manufacturer, or
4 distributor agrees to and does grant a security interest to
5 the motorcycle dealer in the repurchased inventory to secure
6 payment of the repurchase amount to the dealer. The
7 perfection, priority, and other matters relating to the
8 security interest shall be governed by Article 9 of the
9 Uniform Commercial Code. The provisions of this Section shall
10 not be construed to affect in any way any security interest
11 that any financial institution, person, wholesaler,
12 manufacturer, or distributor may have in the inventory of the
13 motorcycle dealer.

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

20 (d) The filing of a timely protest by a motorcycle
21 franchise before the Motor Vehicle Review Board as prescribed
22 by Sections 12 and 29 of this Act, shall stay the effective
23 date of a proposed additional franchise or selling agreement,
24 or the effective date of a proposed motorcycle dealership
25 relocation, or the effective date of a cancellation,
26 termination, or modification, or extend the expiration date of

1 a franchise or selling agreement by refusal to honor
2 succession to ownership or refusal to approve a sale or
3 transfer pending a final determination of the issues in the
4 hearing.

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

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.