

Bill No. CS for SB 280

Amendment No.

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Senator Williams moved the following amendment:

Senate Amendment (with title amendment)

On page 1, line 29, through page 3, line 19, delete those lines

and insert:

(1) Any manufacturer of repair parts for motor vehicles or trucks who enters into a contract with a distributor of repair parts whereby the distributor agrees to maintain a stock of parts may not terminate or cancel any such contract with the distributor without good cause.

(2) For the purposes of this section:

1. "Good cause" for terminating or canceling a contract is limited to failure by the person, firm, corporation, or limited liability company in the business of selling and retailing or wholesaling to comply with those requirements imposed by the written contract between the parties. Further, the determination by the manufacturer of good cause for such termination, cancellation, or failure to renew must be made in good faith.

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1 2. The term "repair parts" means any products that are
2 installed on a motor vehicle or truck or any product used in
3 the process of repairing a motor vehicle or truck.

4 3. The term "distributor" means any person, firm,
5 corporation, or limited liability company engaged in the
6 business of selling, retailing, or wholesaling automotive
7 repair parts.

8 4. The term "manufacturer" means any person engaged in
9 the business of manufacturing, assembling, repackaging, or
10 relabeling new or unused automotive repair parts.

11 (3) If a contract is terminated in violation of
12 subparagraph (b)1., the manufacturer is liable for 100 percent
13 of the net cost of parts still in the distributor's inventory,
14 5 percent of the costs of loading and handling, and reasonable
15 freight charges that have been paid by the distributor. The
16 prevailing party in a legal action arising out of such a
17 violation is entitled to attorney's fees. The obligations of a
18 manufacturer apply to any successor in interest or assignee of
19 that manufacturer. A successor in interest includes any
20 purchaser of assets or stock, any surviving corporation or
21 limited liability company resulting from a merger or
22 liquidation, any receiver, or any trustee of the original
23 manufacturer.

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26 ===== T I T L E A M E N D M E N T =====

27 And the title is amended as follows:

28 On page 1, lines 10-17, delete those lines

29
30 and insert:

31 providing definitions; providing penalties for

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1 terminating a contract in specified
2 circumstances; providing for attorney's fees
3 for the prevailing party in certain legal
4 actions;
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