

By the Committee on Judiciary and Senator Williams

308-1825-98

1 A bill to be entitled
 2 An act relating to sales contracts for motor
 3 vehicle or truck repair parts; creating s.
 4 686.30, F.S.; providing for contract agreement;
 5 providing requirements with respect to
 6 agreements between manufacturers and
 7 distributors of and dealers in motor vehicle or
 8 truck repair parts; requiring that termination
 9 of such contracts be done in good faith;
 10 providing definitions; prohibiting certain
 11 coercive acts by manufacturers; providing for
 12 liability; providing for applicability;
 13 providing liability of a manufacturer for
 14 terminating, canceling, or failing to renew a
 15 contract without good cause, for failure to
 16 make payments owed, and for failure to supply
 17 repair parts; providing for attorney's fees;
 18 providing for injunctive relief; providing an
 19 effective date.

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 21 Be It Enacted by the Legislature of the State of Florida:

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 23 Section 1. Section 686.30, Florida Statutes, is
 24 created to read:

25 686.30 Contract agreements for repair parts for motor
 26 vehicles and trucks; termination must be done in good faith;
 27 definition of good cause; prohibited practices; failure to pay
 28 sum specified on cancellation of contract; liability.--

29 (1)(a) Any manufacturer of repair parts for motor
 30 vehicles or trucks who enters into a contract with a
 31 distributor of repair parts whereby the distributor agrees to

1 maintain a stock of parts may not terminate, cancel, or fail
2 to renew any such contract with the distributor without good
3 cause.

4 (b) For the purposes of this section:

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

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

16 3. The term "distributor" means any person, firm,
17 corporation, or limited liability company engaged in the
18 business of selling, retailing, or wholesaling automotive
19 repair parts.

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

23 (c) In any action against a manufacturer for
24 terminating, canceling, or failing to renew a contract with a
25 distributor, the manufacturer must establish that it acted for
26 good cause. In an action against a manufacturer for
27 terminating, canceling, or failing to renew a contract with a
28 distributor in which the manufacturer has not established that
29 it acted for good cause, or an action in which a distributor
30 prevails on a complaint that the manufacturer failed to make
31 payments owed to the distributor or failed to supply repair

1 parts to the distributor, the manufacturer is liable for 100
2 percent of the net cost of such parts, 5 percent of the costs
3 of loading and handling, and freight charges that have been
4 paid by the distributor. The distributor is entitled to
5 reasonable attorney's fees and, when appropriate, injunctive
6 relief. The obligations of a manufacturer apply to any
7 successor in interest or assignee of that manufacturer. A
8 successor in interest includes any purchaser of assets or
9 stock, any surviving corporation or limited liability company
10 resulting from a merger or liquidation, any receiver, or any
11 trustee of the original manufacturer. This subsection applies
12 to contracts entered into, amended, or renewed on or after the
13 effective date of this act and to contracts in effect on the
14 effective date of this act which are continuing contracts that
15 have no expiration date.

16 (2) A manufacturer of repair parts who enters into a
17 contract with a distributor may not coerce or attempt to
18 coerce a distributor into a refusal to purchase automotive
19 repair parts or equipment from another manufacturer.

20 Section 2. Section 686.30, Florida Statutes, does not
21 apply to any agreement or franchise agreement as defined in
22 section 320.60, Florida Statutes.

23 Section 3. This act shall take effect October 1, 1998.
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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
COMMITTEE SUBSTITUTE FOR
Senate Bill 280

The Committee Substitute for Senate Bill 280:

- Deletes all provisions from the bill relating to farm equipment or parts.
- Changes the damages recoverable in an action against a manufacturer either for wrongful termination, cancellation, or failure to renew or for failure to make payments owed to distributors or to supply parts to distributors.
- Adds definitions of "distributor" and "manufacturer."