

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; providing penalties for
11 terminating a contract in specified
12 circumstances; providing for attorney's fees
13 for the prevailing party in certain legal
14 actions; prohibiting coercion respecting
15 exclusive purchase of parts; allowing the
16 negotiation of an exclusive contract; providing
17 for injunctive relief; providing applicability;
18 providing an effective date.

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

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

24 686.30 Contract agreements for repair parts for motor
25 vehicles and trucks; termination must be done in good faith;
26 definition of good cause; prohibited practices; failure to pay
27 sum specified on cancellation of contract; liability.--

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

3 (2) For the purposes of this section:

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

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

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

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

22 (3) If a contract is terminated in violation of
23 paragraph (2)(a), the manufacturer is liable for 100 percent
24 of the net cost of parts still in the distributor's inventory,
25 5 percent of the costs of loading and handling, and reasonable
26 freight charges that have been paid by the distributor. The
27 prevailing party in a legal action arising out of such a
28 violation is entitled to attorney's fees. The obligations of a
29 manufacturer apply to any successor in interest or assignee of
30 that manufacturer. A successor in interest includes any
31 purchaser of assets or stock, any surviving corporation or

1 limited liability company resulting from a merger or
2 liquidation, any receiver, or any trustee of the original
3 manufacturer.

4 (4) A manufacturer of repair parts who enters into a
5 contract with a distributor may not coerce or attempt to
6 coerce a distributor into a refusal to purchase automotive
7 repair parts or equipment from another manufacturer. A
8 manufacturer and distributor may enter into an exclusive
9 contract. Negotiating an exclusive contract shall not be
10 considered coercion.

11 Section 2. Section 686.30, Florida Statutes, does not
12 apply to any agreement or franchise agreement as defined in
13 section 320.60, Florida Statutes.

14 Section 3. This act applies to new contracts entered
15 into or amended on or after October 1, 1998.

16 Section 4. This act shall take effect October 1, 1998.