2023 Legislature

| 1 | |
|----|--|
| 2 | An act relating to motor vehicle dealers, |
| 3 | manufacturers, importers, and distributors; amending |
| 4 | s. 320.60, F.S.; revising and providing definitions; |
| 5 | amending s. 320.605, F.S.; providing legislative |
| 6 | intent; amending s. 320.64, F.S.; prohibiting an |
| 7 | applicant or a licensee from certain actions in the |
| 8 | allocation or distribution of motor vehicles to |
| 9 | franchised motor vehicle dealers; revising the |
| 10 | definition of the term "unfair"; prohibiting an |
| 11 | applicant or a licensee from engaging in certain |
| 12 | activities; authorizing an applicant or a licensee, or |
| 13 | a common entity thereof, to sell or activate certain |
| 14 | motor vehicle features or improvements through remote |
| 15 | electronic transmission; providing for the payment of |
| 16 | a percentage of such sale or activation to a motor |
| 17 | vehicle dealer; defining the term "feature or |
| 18 | improvement"; providing applicability; requiring such |
| 19 | payment to be made within a certain timeframe; |
| 20 | amending s. 320.642, F.S.; conforming cross- |
| 21 | references; amending s. 320.645, F.S.; revising |
| 22 | provisions prohibiting a licensee, a motor vehicle |
| 23 | manufacturer, a distributor, or an importer from |
| 24 | owning, operating, or controlling a motor vehicle |
| 25 | dealership in this state; specifying when certain |
| | |

Page 1 of 20

2023 Legislature

| 26 licenses may be and are prohibited from being issued; |
|--|
| 27 revising exceptions to certain prohibitions on |
| 28 licensees; providing applicability; removing the |
| 29 definition of the term "independent person"; |
| 30 prohibiting a distributor or affiliate thereof from |
| 31 receiving a certain license under certain |
| 32 circumstances; amending s. 320.67, F.S.; requiring the |
| 33 Department of Highway Safety and Motor Vehicles to |
| 34 conduct an inquiry relating to certain written |
| 35 complaints; providing purposes of the department's use |
| 36 of a subpoena; authorizing the department to allow a |
| 37 written response to the complaint; requiring the |
| 38 department to commence the inquiry within a certain |
| 39 timeframe; requiring the department to provide a |
| 40 certain written response to the complainant within a |
| 41 certain timeframe; requiring the department to take |
| 42 certain action if the department determines that a |
| 43 licensee violated certain provisions; providing |
| 44 construction; amending ss. 681.102 and 681.113, F.S.; |
| 45 conforming cross-references; providing an effective |
| 46 date. |
| 47 |
| 48 Be It Enacted by the Legislature of the State of Florida: |
| 49 |
| 50 Section 1. Subsections (8), (9), (10), (11), (12), (13), |
| Page 2 of 20 |

2023 Legislature

| 51 | (14), (15), and (16) of section 320.60, Florida Statutes, are |
|----|--|
| 52 | renumbered as subsections (9), (11), (12), (13), (15), (18), |
| 53 | (10), (16), and (17), respectively, subsection (2) and present |
| 54 | subsection (15) are amended, and new subsections (8) and (14) |
| 55 | are added to that section, to read: |
| 56 | 320.60 Definitions for ss. 320.61-320.70Whenever used in |
| 57 | ss. 320.61-320.70, unless the context otherwise requires, the |
| 58 | following words and terms have the following meanings: |
| 59 | (2) (a) "Common entity" means a person: |
| 60 | <u>1.(a)</u> Who is <u>directly or indirectly</u> either controlled <u>by</u> |
| 61 | or has more than 30 percent of its equity interest directly or |
| 62 | indirectly owned, beneficially or of record, through any form of |
| 63 | ownership structure, by a manufacturer, an importer, a |
| 64 | distributor, or a licensee, or an affiliate thereof; or |
| 65 | 2. Who has more than 30 percent of its equity interest |
| 66 | directly or indirectly controlled or owned, beneficially or of |
| 67 | record, through any form of ownership structure, by one or more |
| 68 | persons who also <u>directly or indirectly</u> control or own <u>,</u> |
| 69 | beneficially or of record, more than <u>30</u> 40 percent of the voting |
| 70 | equity interests of a manufacturer, an importer, a distributor, |
| 71 | or a licensee, or an affiliate thereof ; or |
| 72 | (b) Who shares directors or officers or partners with a |
| 73 | manufacturer. |
| 74 | (b) Notwithstanding subparagraph (a)1. or subparagraph |
| 75 | (a)2., an entity that would otherwise be considered a common |
| | Page 3 of 20 |

| FLORIDA | HOUSE | OF REP | RESENT/ | ATIVES |
|---------|-------|--------|---------|--------|
|---------|-------|--------|---------|--------|

2023 Legislature

| 76 | entity of a distributor under subparagraph (a)1. or subparagraph |
|--|--|
| 77 | (a)2. because of its relation to a distributor is not considered |
| 78 | a common entity of that distributor if: |
| 79 | 1. The distributor to which the entity is related was a |
| 80 | licensed distributor on March 1, 2023; |
| 81 | 2. The entity is not a common entity of a manufacturer or |
| 82 | an importer; and |
| 83 | 3. The distributor to which the entity is related is not, |
| 84 | and has never been, a common entity of a manufacturer or an |
| 85 | importer. |
| 86 | (8) "Independent person" means a person who is not an |
| 87 | agent, a parent, a subsidiary, a common entity, an officer, a |
| 88 | director, or an employed representative of a licensee, a |
| 89 | <u>manufacturer, an importer, or a distributor.</u> |
| | |
| 90 | (14) "Motor vehicle dealer association" means a not-for- |
| 90 91 | (14) "Motor vehicle dealer association" means a not-for- profit entity organized under the laws of this state and |
| | |
| 91 | profit entity organized under the laws of this state and |
| 91 92 | profit entity organized under the laws of this state and qualified as tax-exempt under s. 501(c)(6) of the Internal |
| 91 92 93 | profit entity organized under the laws of this state and qualified as tax-exempt under s. 501(c)(6) of the Internal Revenue Code which acts as a trade association that primarily |
| 91 92 93 94 | profit entity organized under the laws of this state and qualified as tax-exempt under s. 501(c)(6) of the Internal Revenue Code which acts as a trade association that primarily represents the interests of franchised motor vehicle dealers and |
| 91 92 93 94 95 | profit entity organized under the laws of this state and qualified as tax-exempt under s. 501(c)(6) of the Internal Revenue Code which acts as a trade association that primarily represents the interests of franchised motor vehicle dealers and has a membership of at least 500 franchised motor vehicle |
| 91 92 93 94 95 96 | profit entity organized under the laws of this state and qualified as tax-exempt under s. 501(c)(6) of the Internal Revenue Code which acts as a trade association that primarily represents the interests of franchised motor vehicle dealers and has a membership of at least 500 franchised motor vehicle dealers as defined in s. 320.27(1)(c)1. |
| 91 92 93 94 95 96 97 | profit entity organized under the laws of this state and qualified as tax-exempt under s. 501(c)(6) of the Internal Revenue Code which acts as a trade association that primarily represents the interests of franchised motor vehicle dealers and has a membership of at least 500 franchised motor vehicle dealers as defined in s. 320.27(1)(c)1. <u>(16)(15)</u> "Sell," "selling," "sold," "exchange," "retail |
| 91 92 93 94 95 96 97 98 | profit entity organized under the laws of this state and qualified as tax-exempt under s. 501(c)(6) of the Internal Revenue Code which acts as a trade association that primarily represents the interests of franchised motor vehicle dealers and has a membership of at least 500 franchised motor vehicle dealers as defined in s. 320.27(1)(c)1. (16)(15) "Sell," "selling," "sold," "exchange," "retail sales," and "leases" includes: |

Page 4 of 20

| FLORIDA | HOUSE | OF REP | RESENTA | TIVES |
|---------|-------|--------|---------|-------|
|---------|-------|--------|---------|-------|

2023 Legislature

| 101 | does not include facilitating a motor vehicle dealer's |
|-----|--|
| 102 | acceptance of a deposit or receipt of a payment from a consumer |
| 103 | or receiving payment under a retail installment sale contract; |
| 104 | (b) Accepting a reservation from a retail consumer for a |
| 105 | specific motor vehicle identified by a vehicle identification |
| 106 | number or other product identifier; |
| 107 | (c) Setting the retail price for the purchase, lease, or |
| 108 | other use of a motor vehicle, but does not include setting a |
| 109 | manufacturer's suggested retail price; |
| 110 | (d) Offering or negotiating with a retail consumer terms |
| 111 | for the purchase, lease, or other use of a motor vehicle; |
| 112 | (e) Offering or negotiating with a retail consumer a value |
| 113 | for a motor vehicle being traded in as part of the purchase, |
| 114 | lease, or other use of a motor vehicle, but does not include a |
| 115 | website or other means of electronic communication that |
| 116 | identifies to a consumer a conditional trade-in value and that |
| 117 | contains language informing the consumer that the trade-in value |
| 118 | is not binding on any motor vehicle dealer; |
| 119 | (f) Any transaction where the title of \underline{a} motor vehicle or |
| 120 | ${\rm a}$ used motor vehicle is transferred to a retail consumer; or $_{	au}$ |
| 121 | and also |
| 122 | (g) Any retail lease transaction where a retail consumer |
| 123 | customer leases a vehicle for a period of at least 12 months <u>,</u> |
| 124 | but does not include administering lease agreements, taking |
| 125 | assignments of leases, performing required actions pursuant to |
| | Page 5 of 20 |

Page 5 of 20

2023 Legislature

126 such leases, or receiving payments under a lease agreement that 127 was originated by a motor vehicle dealer. Establishing a price 128 for sale pursuant to s. 320.64(24) does not constitute a sale or 129 lease. 130 Section 2. Section 320.605, Florida Statutes, is amended 131 to read: 132 320.605 Legislative intent.-It is the intent of the Legislature to protect the public health, safety, and welfare of 133 134 the citizens of the state by regulating the licensing of motor vehicle dealers and manufacturers, maintaining competition, 135 136 providing consumer protection and fair trade, and providing minorities with opportunities for full participation as motor 137 138 vehicle dealers. Sections 320.61-320.70 are intended to apply 139 solely to the licensing of manufacturers, factory branches, distributors, and importers and do not apply to non-motor-140 141 vehicle-related businesses. Section 3. Subsections (18), (23), and (24) of section 142 143 320.64, Florida Statutes, are amended to read: 320.64 Denial, suspension, or revocation of license; 144 145 grounds.-A license of a licensee under s. 320.61 may be denied, 146 suspended, or revoked within the entire state or at any specific location or locations within the state at which the applicant or 147 148 licensee engages or proposes to engage in business, upon proof 149 that the section was violated with sufficient frequency to establish a pattern of wrongdoing, and a licensee or applicant 150

Page 6 of 20

2023 Legislature

| 151 | shall be liable for claims and remedies provided in ss. 320.695 |
|-----|---|
| 152 | and 320.697 for any violation of any of the following |
| 153 | provisions. A licensee is prohibited from committing the |
| 154 | following acts: |
| 155 | (18) The applicant or licensee has established a system of |
| 156 | motor vehicle allocation or distribution or has implemented a |
| 157 | system of allocation or distribution of motor vehicles to one or |
| 158 | more of its franchised motor vehicle dealers which: |
| 159 | (a) Reduces or alters allocations or supplies of new motor |
| 160 | vehicles to the dealer to achieve, directly or indirectly, a |
| 161 | purpose that is prohibited by ss. 320.60-320.70 <u>;</u> |
| 162 | (b) Conditionally or unconditionally reserves a specific |
| 163 | motor vehicle identified by vehicle identification number or |
| 164 | other unique identifier for a specifically named person, except |
| 165 | for purposes of replacing a consumer's vehicle pursuant to |
| 166 | <u>chapter 681;</u> |
| 167 | (c) Requires or incentivizes motor vehicle dealers to sell |
| 168 | or lease, or to negotiate the sale or lease of, a specific motor |
| 169 | vehicle identified by vehicle identification number or other |
| 170 | unique identifier to a specifically named person; |
| 171 | (d) Requires or incentivizes motor vehicle dealers to sell |
| 172 | or lease a motor vehicle at a specified price or profit margin |
| 173 | or restricts the price at which a motor vehicle dealer may sell |
| 174 | or lease a motor vehicle; or |
| 175 | <u>(e) Is</u> , or which otherwise is unfair, inequitable, |
| | |

Page 7 of 20

2023 Legislature

| 176 | unreasonably discriminatory, or not supportable by reason and |
|-----|---|
| 177 | good cause after considering the equities of the affected motor |
| 178 | vehicles dealer or dealers. As used in this paragraph, the term |
| 179 | "unfair" includes, but is not limited to, refusing or failing to |
| 180 | offer to any dealer an equitable supply of new vehicles under |
| 181 | its franchise, by model, mix, or color, as the licensee offers |
| 182 | or allocates to its other same line-make dealers in this state |
| 183 | or using the number of motor vehicles preordered or reserved by |
| 184 | consumers as a factor in determining the allocation of motor |
| 185 | vehicles to motor vehicle dealers. |
| 186 | |
| 187 | An applicant or licensee shall maintain for 3 years records that |
| 188 | describe its methods or formula of allocation and distribution |
| 189 | of its motor vehicles and records of its actual allocation and |
| 190 | distribution of motor vehicles to its motor vehicle dealers in |
| 191 | this state. As used in this subsection, "unfair" includes, |
| 192 | without limitation, the refusal or failure to offer to any |
| 193 | dealer an equitable supply of new vehicles under its franchise, |
| 194 | by model, mix, or colors as the licensee offers or allocates to |
| 195 | its other same line-make dealers in the state. |
| 196 | (23) The applicant or licensee has engaged in any of the |
| 197 | activities of a motor vehicle dealer as defined in s. |
| 198 | 320.60(13)(a) or any of the activities described in s. |
| 199 | <u>320.60(16) or</u> has competed or is competing with respect to any |
| 200 | activity covered by the franchise agreement with a motor vehicle |
| | Dego 8 of 20 |

Page 8 of 20

2023 Legislature

| 201 | dealer of the same line-make located in this state with whom the |
|-----|---|
| 202 | applicant or licensee has entered into a franchise agreement, |
| 203 | except as permitted in s. 320.645 or in subsection (24) with |
| 204 | respect to the remote electronic transmission of a permanent or |
| 205 | temporary feature or improvement of a motor vehicle. |
| 206 | (24) The applicant or licensee, or a common entity |
| 207 | <u>thereof,</u> has sold <u>or leased</u> a motor vehicle <u>to any retail</u> |
| 208 | consumer in this state, or has sold or activated for a fee to |
| 209 | any retail consumer in <u>this</u> the state <u>any permanent or temporary</u> |
| 210 | motor vehicle feature or improvement that functions through |
| 211 | hardware or components installed on the motor vehicle, except |
| 212 | through a motor vehicle dealer properly licensed pursuant to s. |
| 213 | 320.27 and holding a franchise agreement for the line-make that |
| 214 | includes the motor vehicle. Notwithstanding this subsection, an |
| 215 | applicant, a licensee, or their common entity may sell or |
| 216 | activate for a fee a permanent or temporary feature or |
| 217 | improvement for a motor vehicle of a line-make manufactured, |
| 218 | imported, or distributed by the applicant or licensee and |
| 219 | registered in Florida if and only if the feature or improvement |
| 220 | is provided directly to the motor vehicle through remote |
| 221 | electronic transmission. However, if such motor vehicle was new |
| 222 | when sold or leased by a Florida franchised motor vehicle dealer |
| 223 | within the 2-year period preceding such remote electronic |
| 224 | transmission and the ownership of the vehicle was not changed, |
| 225 | then the applicant or licensee must pay a percentage of the |
| | Deres 0 of 20 |

Page 9 of 20

2023 Legislature

| 226 | payment received for the feature or improvement to the Florida |
|-----|--|
| 227 | franchised motor vehicle dealer. Payment from the applicant or |
| 228 | licensee to the Florida franchised motor vehicle dealer shall be |
| 229 | at least 8 percent of the gross payment received by the |
| 230 | applicant, licensee, or common entity for the sale of the |
| 231 | feature or improvement that was remotely transmitted. As used in |
| 232 | this subsection, the term "feature or improvement" includes the |
| 233 | activation or use of motor vehicle components or hardware but |
| 234 | does not include services that require the transmission of data |
| 235 | or information to or from the motor vehicle while the service is |
| 236 | being used. Payments required under this subsection must be made |
| 237 | within 60 days after the date of sale of the feature or |
| 238 | improvement. This subsection section does not apply to sales by |
| 239 | the applicant or licensee of motor vehicles to its current |
| 240 | employees, employees of companies affiliated by common |
| 241 | ownership, charitable not-for-profit organizations, and the |
| 242 | Federal Government. |
| 243 | |
| 244 | A motor vehicle dealer who can demonstrate that a violation of, |
| 245 | or failure to comply with, any of the preceding provisions by an |
| 246 | applicant or licensee will or may adversely and pecuniarily |
| 247 | affect the complaining dealer, shall be entitled to pursue all |
| 248 | of the remedies, procedures, and rights of recovery available |
| 249 | under ss. 320.695 and 320.697. |
| 250 | Section 4. Subsection (6) of section 320.642, Florida |

Page 10 of 20

2023 Legislature

251 Statutes, is amended to read:

252 320.642 Dealer licenses in areas previously served; 253 procedure.-

(6) When a proposed addition or relocation concerns a dealership that performs or is to perform only service, as defined in <u>s. 320.60</u> s. 320.60(16), and will not or does not sell or lease, as defined in <u>s. 320.60</u>, new motor vehicles, as defined in <u>s. 320.60(15)</u>, the proposal shall be subject to notice and protest pursuant to the provisions of this section.

(a) Standing to protest the addition or relocation of a service-only dealership shall be limited to those instances in which the applicable mileage requirement established in subparagraphs (3) (a) 2. and (3) (b) 1. is met.

(b) The addition or relocation of a service-onlydealership shall not be subject to protest if:

The applicant for the service-only dealership location
is an existing motor vehicle dealer of the same line-make as the
proposed additional or relocated service-only dealership;

269 2. There is no existing dealer of the same line-make 270 closer than the applicant to the proposed location of the 271 additional or relocated service-only dealership; and

3. The proposed location of the additional or relocated service-only dealership is at least 7 miles from all existing motor vehicle dealerships of the same line-make, other than motor vehicle dealerships owned by the applicant.

Page 11 of 20

2023 Legislature

276 In determining whether existing franchised motor (C) 277 vehicle dealers are providing adequate representations in the 278 community or territory for the line-make in question in a protest of the proposed addition or relocation of a service-only 279 280 dealership, the department may consider the elements set forth 281 in paragraph (2)(b), provided: 282 1. With respect to subparagraph (2)(b)1., only the impact 283 as it relates to service may be considered; 284 2. Subparagraph (2) (b) 3. shall not be considered; With respect to subparagraph (2)(b)9., only service 285 3. facilities shall be considered; and 286 4. With respect to subparagraph (2) (b)11., only the volume 287 of service business transacted shall be considered. 288 289 If an application for a service-only dealership is (d) 290 granted, the department must shall issue a license which permits 291 only service, as defined in s. 320.60 s. 320.60(16), and does 292 not permit the selling or leasing, as defined in s. 320.60, of 293 new motor vehicles, as defined in s. 320.60(15). If a service-294 only dealership subsequently seeks to sell new motor vehicles at 295 its location, the notice and protest provisions of this section shall apply. 296 297 Subsections (1), (2), and (4) of section Section 5. 298 320.645, Florida Statutes, are amended to read: 299 320.645 Restriction upon ownership of dealership by 300 licensee.-

Page 12 of 20

2023 Legislature

301 A No licensee, a manufacturer, an importer, or a (1)302 distributor, manufacturer, or an agent of the licensee, a 303 manufacturer, importer, or distributor, or any a parent, a 304 subsidiary, a common entity, an or officer, or an employed 305 representative of the licensee, manufacturer, importer, or 306 distributor, may not directly or indirectly shall own, or 307 operate, or control, by contract, agreement, or otherwise either directly or indirectly, a motor vehicle dealership for any line-308 309 make in this state if the licensee, manufacturer, importer, or 310 distributor has manufactured, imported, or distributed for the sale or service of motor vehicles of any line-make which have 311 312 been or are offered for sale under a franchise agreement with a 313 motor vehicle dealer in this state with an independent person. 314 Any person who is not prohibited by this section from owning, 315 operating, or controlling a motor vehicle dealership may be 316 issued a license pursuant to s. 320.27. Any person prohibited by 317 this section from owning, operating, or controlling a motor 318 vehicle dealership. A licensee may not be issued a motor vehicle 319 dealer license pursuant to s. 320.27. However, a no such licensee subject to the prohibition in this section is not will 320 be deemed to be in violation of this section: 321 322 When operating a motor vehicle dealership for a (a) 323 temporary period, not to exceed 1 year, during the transition 324 from one owner of the motor vehicle dealership to another; 325 (b) When operating a motor vehicle dealership temporarily

Page 13 of 20

2023 Legislature

326 for a reasonable period for the exclusive purpose of broadening 327 the diversity of its dealer body and enhancing opportunities for 328 qualified persons who are part of a group that has historically been underrepresented in its dealer body, or for other qualified 329 330 persons who the licensee deems lack the resources to purchase or 331 capitalize the dealership outright, in a bona fide relationship 332 with an independent person, other than a licensee or its agent 333 or affiliate, who has made a significant investment that is 334 subject to loss in the dealership within the dealership's first 335 year of operation and who can reasonably expect to acquire full 336 ownership of the dealership on reasonable terms and conditions; 337 or

If the department determines, after a hearing on the 338 (C) 339 matter, pursuant to chapter 120, at the request of any person, 340 that there is no independent person available in the community 341 or territory to own and operate the motor vehicle dealership in 342 a manner consistent with the public interest. This paragraph 343 applies only if the motor vehicle dealership at issue sells 344 motor vehicles of a line-make that, at the time of the hearing, 345 is offered for sale by at least one other existing motor vehicle dealership not owned, operated, or controlled by the licensee; 346 347 an officer or employed representative of the licensee; a parent, 348 subsidiary, or common entity of the licensee; or a manufacturer, 349 an importer, or a distributor.

350

Page 14 of 20

2023 Legislature

In <u>the</u> any such case <u>of a</u>, the licensee must continue to make the motor vehicle dealership <u>owned or operated pursuant to</u> paragraph (a), paragraph (b), or paragraph (c), the dealership must be continually made available for sale to an independent person at a fair and reasonable price. Approval of the sale of such a motor vehicle dealership to a proposed motor vehicle dealer shall not be unreasonably withheld.

358

(2) As used in this section, the term:

359 (a) "Independent person" is a person who is not an
360 officer, director, or employee of the licensee.

361 (a) (b) "Reasonable terms and conditions" requires that 362 profits from the dealership are reasonably expected to be 363 sufficient to allow full ownership of the dealership by the 364 independent person within a reasonable time period not to exceed 365 10 years, which time period may be extended if there is a 366 reasonable basis to do so and is not being sought to evade the 367 purpose of this section; that the independent person has 368 sufficient control to permit acquisition of ownership; and that 369 the relationship cannot be terminated solely to avoid full 370 ownership. The terms and conditions are not reasonable if they 371 preclude the independent person from an expedited purchase of 372 the dealership using a monetary source other than profits from 373 the dealership's operation; provided, however, that the 374 independent person must pay or make an agreement to pay to the 375 licensee any and all reasonable prepayment charges and costs,

Page 15 of 20

2023 Legislature

including all unrecouped restored losses, associated with the expedited purchase of the dealership. For the purpose of this section, unrecouped restored losses are moneys that the manufacturer has provided to the dealership to restore losses of the dealership that the manufacturer has not been paid back through profits of the dealership.

382 <u>(b)(c)</u> "Significant investment" means a reasonable amount, 383 considering the reasonable capital requirements of the 384 dealership, acquired and obtained from sources other than the 385 licensee or any of its affiliates and not encumbered by the 386 person's interest in the dealership.

387 Nothing in This chapter does not shall prohibit a (4) 388 distributor as defined in s. $320.60 \cdot \frac{5}{5}$ or an affiliate 389 thereof which common entity that is not a manufacturer or an 390 importer, a division of a manufacturer or an importer, an entity 391 that is controlled by a manufacturer or an importer, or a common 392 entity of a manufacturer or an importer, and which that is not 393 owned, in whole or in part, directly or indirectly, by a 394 manufacturer or an importer, as defined in s. 320.60 s. 395 320.60(9), from receiving a license or licenses as defined in s. 396 320.27 and owning and operating a motor vehicle dealership or 397 dealerships that sell or service motor vehicles other than any 398 line-make of motor vehicles distributed by the distributor. A 399 distributor or an affiliate thereof may not receive a license pursuant to s. 320.27 for a motor vehicle dealership, or own or 400

Page 16 of 20

2023 Legislature

| 401 | operate a motor vehicle dealership, that sells or services motor |
|-----|---|
| 402 | vehicles of the line-make of motor vehicles distributed by the |
| 403 | <u>distributor.</u> |
| 404 | Section 6. Section 320.67, Florida Statutes, is amended to |
| 405 | read: |
| 406 | 320.67 Inquiry and inspection of books or other documents |
| 407 | of licensee |
| 408 | (1) The department <u>shall conduct an inquiry</u> may inspect |
| 409 | the pertinent books, records, letters, and contracts of a |
| 410 | licensee relating to any written complaint <u>alleging a violation</u> |
| 411 | of any provision of ss. 320.61-320.70 made to it against such |
| 412 | licensee made by a motor vehicle dealer with a current franchise |
| 413 | agreement issued by the licensee, or a motor vehicle dealer |
| 414 | association with at least one member with a current franchise |
| 415 | agreement issued by the licensee. |
| 416 | (2) In the exercise of its duties under this section, the |
| 417 | department is granted and authorized to exercise the power of |
| 418 | subpoena for the purposes of compelling production of and |
| 419 | inspecting pertinent books, records, letters, and contracts of a |
| 420 | licensee and compelling the attendance of witnesses at |
| 421 | deposition and the production of any documentary evidence |
| 422 | necessary to the disposition by it of any written complaint |
| 423 | under this section. The inquiry required by this section must be |
| 424 | commenced within 30 days after receipt of the written complaint. |
| 425 | The department may allow the licensee that is the subject of the |
| | |

Page 17 of 20

CODING: Words stricken are deletions; words underlined are additions.

2023 Legislature

| 426 | complaint no more than 60 days after commencement of the inquiry |
|-----|--|
| 427 | to provide a written response. Within 30 days after the deadline |
| 428 | for a written response by the licensee, the department must |
| 429 | provide a written response to the complainant stating whether |
| 430 | the department intends to take action against the licensee under |
| 431 | subsection (3) and, if so, what action the department intends to |
| 432 | take. Any information obtained may not be used against the |
| 433 | licensee as the basis for a criminal prosecution under the laws |
| 434 | of this state. |
| 435 | (3) If, as the result of an inquiry conducted under this |
| 436 | section, the department determines that a licensee has violated |
| 437 | any provision of ss. 320.61-320.70, the department must take |
| 438 | appropriate action against the licensee, which may include |
| 439 | license suspension or revocation; denial of a license renewal |
| 440 | application; assessment, imposition, levy, and collection of an |
| 441 | appropriate civil fine; or instituting a civil action for |
| 442 | issuance of an injunction pursuant to s. 320.695. |
| 443 | (4) This section does not alter or affect the rights of a |
| 444 | motor vehicle dealer to bring a claim or action against a |
| 445 | licensee pursuant to any other provision of ss. 320.60-320.70. |
| 446 | Section 7. Subsection (13) of section 681.102, Florida |
| 447 | Statutes, is amended to read: |
| 448 | 681.102 DefinitionsAs used in this chapter, the term: |
| 449 | (13) "Manufacturer" means any person, whether a resident |
| 450 | or nonresident of this state, who manufactures or assembles |
| | |

Page 18 of 20

2023 Legislature

451 motor vehicles, or who manufactures or assembles chassis for 452 recreational vehicles, or who manufactures or installs on 453 previously assembled truck or recreational vehicle chassis 454 special bodies or equipment which, when installed, forms an 455 integral part of the motor vehicle, or a distributor or an 456 importer as those terms are defined in s. 320.60 s. 320.60(5), 457 or an importer as defined in s. 320.60(7). A dealer as defined 458 in s. 320.60 may s. 320.60(11)(a) shall not be deemed to be a 459 manufacturer, a distributor, or an importer as provided in this 460 section.

461 Section 8. Section 681.113, Florida Statutes, is amended 462 to read:

463 681.113 Dealer liability.-Except as provided in ss. 464 681.103(3) and 681.114(2), nothing in this chapter imposes any 465 liability on a dealer as defined in s. $320.60 \frac{..., 320.60(11)(a)}{..., a}$ 466 or creates a cause of action by a consumer against a dealer, 467 except for written express warranties made by the dealer apart 468 from the manufacturer's warranties. A dealer may not be made a 469 party defendant in any action involving or relating to this 470 chapter, except as provided in this section. The manufacturer 471 shall not charge back or require reimbursement by the dealer for 472 any costs, including, but not limited to, any refunds or vehicle 473 replacements, incurred by the manufacturer arising out of this 474 chapter, in the absence of evidence that the related repairs had 475 been carried out by the dealer in a manner substantially

Page 19 of 20

| FLORI | DA HO | USE OF | REPRES | ENTATIVES |
|-------|-------|--------|--------|-----------|
|-------|-------|--------|--------|-----------|

2023 Legislature

| 476 | inconsistent | with the | manufacturer | s published instructions. | |
|-----|--------------|----------|---------------|---------------------------|--|
| 477 | Section | 9. This | act shall tak | ke effect July 1, 2023. | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Page 20 of 20