

LEGISLATIVE ACTION

Senate Comm: RCS 03/26/2025 House

The Committee on Transportation (Leek) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Subsection (42) of section 320.64, Florida Statutes, is amended, and subsection (43) is added to that section, to read:

320.64 Denial, suspension, or revocation of license; grounds.—A license of a licensee under s. 320.61 may be denied, suspended, or revoked within the entire state or at any specific

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11 location or locations within the state at which the applicant or 12 licensee engages or proposes to engage in business, upon proof that the section was violated with sufficient frequency to 13 14 establish a pattern of wrongdoing, and a licensee or applicant shall be liable for claims and remedies provided in ss. 320.695 15 16 and 320.697 for any violation of any of the following 17 provisions. A licensee is prohibited from committing the 18 following acts:

19 (42) (a) The applicant or licensee, or a common entity 20 <u>thereof</u>, has established, implemented, or enforced criteria for 21 measuring the sales or service performance of any of its 22 franchised motor vehicle dealers in this state which have a 23 material or adverse effect on any motor vehicle dealer and 24 which:

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1. Are unfair, unreasonable, arbitrary, or inequitable; or

2. Do not include all relevant and material local and regional criteria, data, and facts. Relevant and material criteria, data, or facts include, but are not limited to, those of motor vehicle dealerships of comparable size in comparable markets. If such performance measurement criteria are based, in whole or in part, on a survey, such survey must be based on a statistically significant and valid random sample.

(b) <u>The</u> An applicant <u>or</u>, licensee, or <u>a</u> common entity <u>thereof</u>, has implemented or enforced criteria for measuring the <u>sales or service performance of any of its franchised motor</u> <u>vehicle dealers in this state without first making available and</u> <u>readily accessible</u>, before such implementation or enforcement, <u>a</u> <u>written description to each such franchised</u>, <u>or an affiliate</u> <u>thereof</u>, which enforces against any motor vehicle dealer any

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40	such performance measurement criteria shall, upon the request of
41	the motor vehicle dealer, describe in writing to the motor
42	vehicle dealer in this state which describes, in detail, how the
43	performance measurement criteria were designed, calculated,
44	established, and uniformly applied.
45	(43) The applicant or licensee, or a common entity thereof,
46	has engaged in an action, or implemented a policy, standard,
47	rule, practice, or program, taken as retaliation against a motor
48	vehicle dealer because the dealer invoked a statutory right
49	created by ss. 320.60-320.70, asserted that the applicant,
50	licensee, or common entity has acted in a manner that violates a
51	provision of ss. 320.60-320.70, or has testified, assisted, or
52	participated in any manner in an investigation, a proceeding, or
53	a hearing that may directly affect the applicant, licensee, or
54	common entity.
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56	A motor vehicle dealer who can demonstrate that a violation of,
57	or failure to comply with, any of the preceding provisions by an
58	applicant or licensee will or may adversely and pecuniarily
59	affect the complaining dealer, shall be entitled to pursue all
60	of the remedies, procedures, and rights of recovery available
61	under ss. 320.695 and 320.697.
62	Section 2. Subsection (3) of section 320.641, Florida
63	Statutes, is amended to read:
64	320.641 Discontinuations, cancellations, nonrenewals,
65	modifications, and replacement of franchise agreements
66	(3) Any motor vehicle dealer who receives a notice of
67	intent to discontinue, cancel, not renew, modify, or replace
68	may, within the 90-day notice period, file a petition or
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69 complaint for a determination of whether such action is an 70 unfair or prohibited discontinuation, cancellation, nonrenewal, 71 modification, or replacement. Agreements and certificates of 72 appointment must shall continue in effect until final 73 determination of the issues raised in such petition or complaint 74 by the motor vehicle dealer. A discontinuation, cancellation, or 75 nonrenewal of a franchise agreement is unfair if it is not 76 clearly permitted by the franchise agreement; is not undertaken 77 in good faith; is not undertaken for good cause; or is not based 78 on a material and substantial an alleged breach of the franchise 79 agreement by the motor vehicle dealer which is not in fact a 80 material and substantial breach; or, if the grounds relied upon for termination, cancellation, or nonrenewal have not been 81 82 applied in a uniform and consistent manner by the licensee. If the notice of discontinuation, cancellation, or nonrenewal 83 relates to an alleged failure of the new motor vehicle dealer's 84 85 sales or service performance obligations under the franchise agreement, the new motor vehicle dealer must first be provided 86 87 with at least 180 days to correct the alleged failure before a licensee may send the notice of discontinuation, cancellation, 88 89 or nonrenewal. A modification or replacement is unfair if it is not clearly permitted by the franchise agreement; is not 90 91 undertaken in good faith; or is not undertaken for good cause. 92 The applicant or licensee has shall have the burden of proof 93 that such discontinuation, cancellation, nonrenewal, 94 modification, or replacement action is fair and not prohibited. 95 Section 3. This act shall take effect July 1, 2025. 96

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98	And the title is amended as follows:
99	Delete everything before the enacting clause
100	and insert:
101	A bill to be entitled
102	An act relating to motor vehicle manufacturers and
103	franchised motor vehicle dealers; amending s. 320.64,
104	F.S.; prohibiting an applicant or a licensee, or a
105	common entity thereof, from establishing,
106	implementing, or enforcing certain criteria for
107	measuring the sales or service performance of its
108	franchised motor vehicle dealers unless certain
109	conditions are met; prohibiting an applicant or a
110	licensee, or a common entity thereof, from engaging in
111	an action that is taken as retaliation against a motor
112	vehicle dealer under certain circumstances; amending
113	s. 320.641, F.S.; revising the circumstances in which
114	a discontinuation, cancellation, nonrenewal,
115	modification, or replacement of a franchise agreement
116	is deemed unfair; providing an effective date.