

**By** the Committee on Commerce and Tourism; and Senator Trumbull

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A bill to be entitled

An act relating to motor vehicle manufacturers, importers, and distributors and franchised motor vehicle dealers; amending s. 320.64, F.S.; authorizing licensees to reject the succession to interest in a franchise agreement of a motor vehicle dealer under certain circumstances; clarifying the motor vehicles for which a licensee must pay certain costs to a motor vehicle dealer under certain circumstances; prohibiting a licensee from distributing more than a specified percentage of a specified number of motor vehicles of a particular line-make during a certain period to one motor vehicle dealer or dealers that share common ownership or control; providing applicability; amending s. 320.643, F.S.; authorizing a licensee to reject a sale, transfer, alienation, or other disposition of a franchise agreement or an equity interest in a motor vehicle dealer under certain circumstances; providing an effective date.

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

Section 1. Subsection (16) and paragraph (a) of subsection (36) of section 320.64, Florida Statutes, are amended, and subsection (44) 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 location or locations within the state at which the applicant or

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30 licensee engages or proposes to engage in business, upon proof  
31 that the section was violated with sufficient frequency to  
32 establish a pattern of wrongdoing, and a licensee or applicant  
33 shall be liable for claims and remedies provided in ss. 320.695  
34 and 320.697 for any violation of any of the following  
35 provisions. A licensee is prohibited from committing the  
36 following acts:

37 (16) (a) Notwithstanding the terms of any franchise  
38 agreement, the applicant or licensee prevents or refuses to  
39 accept the succession to any interest in a franchise agreement  
40 by any legal heir or devisee under the will of a motor vehicle  
41 dealer or under the laws of descent and distribution of this  
42 state; provided, the applicant or licensee is not required to  
43 accept a succession:

44 1. When where such heir or devisee does not meet licensee's  
45 written, reasonable, and uniformly applied minimal standard  
46 qualifications for dealer applicants;

47 2. or which, after notice and administrative hearing  
48 pursuant to chapter 120, is demonstrated to be detrimental to  
49 the public interest or to the representation of the applicant or  
50 licensee; or

51 3. When the direct result of such succession will cause the  
52 applicant or licensee to be in violation of subsection (44).

53 (b) This subsection does not Nothing contained herein,  
54 ~~however, shall~~ prevent a motor vehicle dealer, during his or her  
55 lifetime, from designating any person as his or her successor in  
56 interest by written instrument filed with and accepted by the  
57 applicant or licensee. A licensee who rejects the successor  
58 transferee under this subsection shall have the burden of

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59 establishing in any proceeding where such rejection is in issue  
60 that the rejection of the successor transferee complies with  
61 this subsection.

62 (36) (a) Notwithstanding the terms of any franchise  
63 agreement, in addition to any other statutory or contractual  
64 rights of recovery after the voluntary or involuntary  
65 termination, cancellation, or nonrenewal of a franchise, failing  
66 to pay the motor vehicle dealer, as provided in paragraph (d),  
67 the following amounts:

68 1. The net cost paid by the dealer for each new motor  
69 vehicle other than motorcycles ~~car or truck~~ in the dealer's  
70 inventory with mileage of 2,000 miles or less, or each new a  
71 motorcycle in the dealer's inventory with mileage of 100 miles  
72 or less, exclusive of mileage placed on the motor vehicle before  
73 it was delivered to the dealer.

74 2. The current price charged for each new, unused,  
75 undamaged, or unsold part or accessory that:

76 a. Is in the current parts catalog and is still in the  
77 original, resalable merchandising package and in an unbroken  
78 lot, except that sheet metal may be in a comparable substitute  
79 for the original package; and

80 b. Was purchased by the dealer directly from the  
81 manufacturer or distributor or from an outgoing authorized  
82 dealer as a part of the dealer's initial inventory.

83 3. The fair market value of each undamaged sign owned by  
84 the dealer which bears a trademark or trade name used or claimed  
85 by the applicant or licensee or its representative which was  
86 purchased from or at the request of the applicant or licensee or  
87 its representative.

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88        4. The fair market value of all special tools, data  
89 processing equipment, and automotive service equipment owned by  
90 the dealer which:

91        a. Were recommended in writing by the applicant or licensee  
92 or its representative and designated as special tools and  
93 equipment;

94        b. Were purchased from or at the request of the applicant  
95 or licensee or its representative; and

96        c. Are in usable and good condition except for reasonable  
97 wear and tear.

98        5. The cost of transporting, handling, packing, storing,  
99 and loading any property subject to repurchase under this  
100 section.

101        (44) (a) The applicant or licensee has directly or  
102 indirectly distributed 1,000 or more motor vehicles of a  
103 particular line-make to motor vehicle dealers in this state  
104 during any 12-month period and has directly or indirectly  
105 distributed more than 33.33 percent of those same line-make  
106 motor vehicles during that 12-month period to one motor vehicle  
107 dealer or to multiple motor vehicle dealers that share common  
108 ownership or control. For purposes of this subsection, a motor  
109 vehicle dealer shares common ownership or control with another  
110 motor vehicle dealer if:

111        1. It is directly or indirectly controlled by or has more  
112 than 30 percent of its equity interest directly or indirectly  
113 owned by another motor vehicle dealer; or

114        2. It has more than 30 percent of its equity interest  
115 directly or indirectly controlled or owned by one or more  
116 persons who also directly or indirectly control or own more than

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117 30 percent of the equity interests of another motor vehicle  
118 dealer.

119 (b) This subsection does not apply to any line-make of  
120 motor vehicle for which there exists a licensed franchised  
121 dealer in this state as of January 1, 2026, or to an applicant  
122 or licensee who is not prohibited by s. 320.645 from owning or  
123 operating a motor vehicle dealership.

124

125 A motor vehicle dealer who can demonstrate that a violation of,  
126 or failure to comply with, any of the preceding provisions by an  
127 applicant or licensee will or may adversely and pecuniarily  
128 affect the complaining dealer, shall be entitled to pursue all  
129 of the remedies, procedures, and rights of recovery available  
130 under ss. 320.695 and 320.697.

131 Section 2. Subsections (1) and (2) of section 320.643,  
132 Florida Statutes, are amended to read:

133 320.643 Transfer, assignment, or sale of franchise  
134 agreements.—

135 (1) (a) Notwithstanding the terms of any franchise  
136 agreement, a licensee may ~~shall~~ not, by contract or otherwise,  
137 fail or refuse to give effect to, prevent, prohibit, or penalize  
138 or attempt to refuse to give effect to, prohibit, or penalize  
139 any motor vehicle dealer from selling, assigning, transferring,  
140 alienating, or otherwise disposing of its franchise agreement to  
141 any other person or persons, including a corporation established  
142 or existing for the purpose of owning or holding a franchise  
143 agreement, unless the licensee proves at a hearing pursuant to a  
144 complaint filed by a motor vehicle dealer under this section  
145 that the sale, transfer, alienation, or other disposition:

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146       1. Is to a person who is not, or whose controlling  
147        executive management is not, of good moral character;

148       2. Is to a person who ~~or~~ does not meet the written,  
149        reasonable, and uniformly applied standards or qualifications of  
150        the licensee relating to financial qualifications of the  
151        transferee and business experience of the transferee or the  
152        transferee's executive management; or

153       3. Would directly cause the licensee to be in violation of  
154        s. 320.64(44).

155       (b) A motor vehicle dealer who desires to sell, assign,  
156        transfer, alienate, or otherwise dispose of a franchise shall  
157        notify, or cause the proposed transferee to notify, the  
158        licensee, in writing, setting forth the prospective transferee's  
159        name, address, financial qualifications, and business experience  
160        during the previous 5 years. A licensee who receives such notice  
161        may, within 60 days following such receipt, notify the motor  
162        vehicle dealer, in writing, that the proposed transferee is not  
163        a person qualified to be a transferee under this section and  
164        setting forth the material reasons for such rejection. Failure  
165        of the licensee to notify the motor vehicle dealer within the  
166        60-day period of such rejection shall be deemed an approval of  
167        the transfer. No such transfer, assignment, or sale shall be  
168        valid unless the transferee agrees in writing to comply with all  
169        requirements of the franchise then in effect, but with the  
170        ownership changed to the transferee.

171       (c)-(b) A motor vehicle dealer whose proposed sale is  
172        rejected may, within 60 days following such receipt of such  
173        rejection, file with the department a complaint for a  
174        determination that the proposed transferee has been rejected in

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175 violation of this section. The licensee has the burden of proof  
176 with respect to all issues raised by the complaint. The  
177 department shall determine, and enter an order providing, that  
178 the proposed transferee is either qualified or is not and cannot  
179 be qualified for specified reasons, or the order may provide the  
180 conditions under which a proposed transferee would be qualified.  
181 If the licensee fails to file such a response to the motor  
182 vehicle dealer's complaint within 30 days after receipt of the  
183 complaint, unless the parties agree in writing to an extension,  
184 or if the department, after a hearing, renders a decision other  
185 than one disqualifying the proposed transferee, the franchise  
186 agreement between the motor vehicle dealer and the licensee is  
187 deemed amended to incorporate such transfer or amended in  
188 accordance with the determination and order rendered, effective  
189 upon compliance by the proposed transferee with any conditions  
190 set forth in the determination or order.

191 (2) (a) Notwithstanding the terms of any franchise  
192 agreement, a licensee may ~~shall~~ not, by contract or otherwise,  
193 fail or refuse to give effect to, prevent, prohibit, or  
194 penalize, or attempt to refuse to give effect to, prevent,  
195 prohibit, or penalize, any motor vehicle dealer or any  
196 proprietor, partner, stockholder, owner, or other person who  
197 holds or otherwise owns an interest therein from selling,  
198 assigning, transferring, alienating, or otherwise disposing of,  
199 in whole or in part, the equity interest of any of them in such  
200 motor vehicle dealer to any other person or persons, including a  
201 corporation established or existing for the purpose of owning or  
202 holding the stock or ownership interests of other entities,  
203 unless the licensee proves at a hearing pursuant to a complaint

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204 filed by a motor vehicle dealer under this section that the  
205 sale, transfer, alienation, or other disposition:

206       1. Is to a person who is not, or whose controlling  
207 executive management is not, of good moral character; or  
208       2. Would directly cause the licensee to be in violation of  
209 s. 320.64(44).

210       (b) A motor vehicle dealer, or any proprietor, partner,  
211 stockholder, owner, or other person who holds or otherwise owns  
212 an interest in the motor vehicle dealer, who desires to sell,  
213 assign, transfer, alienate, or otherwise dispose of any interest  
214 in such motor vehicle dealer shall notify, or cause the proposed  
215 transferee to so notify, the licensee, in writing, of the  
216 identity and address of the proposed transferee. A licensee who  
217 receives such notice may, within 60 days following such receipt,  
218 notify the motor vehicle dealer in writing that the proposed  
219 transferee is not a person qualified to be a transferee under  
220 this section and setting forth the material reasons for such  
221 rejection. Failure of the licensee to notify the motor vehicle  
222 dealer within the 60-day period of such rejection shall be  
223 deemed an approval of the transfer. Any person whose proposed  
224 sale of stock is rejected may file within 60 days of receipt of  
225 such rejection a complaint with the department alleging that the  
226 rejection was in violation of the law or the franchise  
227 agreement. The licensee has the burden of proof with respect to  
228 all issues raised by such complaint. The department shall  
229 determine, and enter an order providing, that the proposed  
230 transferee either is qualified or is not and cannot be qualified  
231 for specified reasons; or the order may provide the conditions  
232 under which a proposed transferee would be qualified. If the

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233 licensee fails to file a response to the motor vehicle dealer's  
234 complaint within 30 days of receipt of the complaint, unless the  
235 parties agree in writing to an extension, or if the department,  
236 after a hearing, renders a decision on the complaint other than  
237 one disqualifying the proposed transferee, the transfer shall be  
238 deemed approved in accordance with the determination and order  
239 rendered, effective upon compliance by the proposed transferee  
240 with any conditions set forth in the determination or order.

241 (c)(b) Notwithstanding paragraph (a), a licensee may not  
242 reject a proposed transfer of a legal, equitable, or beneficial  
243 interest in a motor vehicle dealer to a trust or other entity,  
244 or to any beneficiary thereof, which is established by an owner  
245 of any interest in a motor vehicle dealer for purposes of estate  
246 planning, if the controlling person of the trust or entity, or  
247 the beneficiary, is of good moral character.

248 Section 3. This act shall take effect July 1, 2026.