

By the Committee on Commerce and Tourism; and Senator Trumbull

577-02748-26

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

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

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

2. ~~or~~ Which, after notice and administrative hearing pursuant to chapter 120, is demonstrated to be detrimental to the public interest or to the representation of the applicant or licensee; or

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

(b) This subsection does not ~~Nothing contained herein,~~ however, shall prevent a motor vehicle dealer, during his or her lifetime, from designating any person as his or her successor in interest by written instrument filed with and accepted by the applicant or licensee. A licensee who rejects the successor 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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filed by a motor vehicle dealer under this section that the sale, transfer, alienation, or other disposition:

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

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

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

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

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

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