

CS/HB 989

2026

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 a licensee to reject the ownership succession of a motor vehicle dealer if such succession will cause violation of certain provisions; clarifying what motor vehicles a licensee must repurchase from a motor vehicle dealer upon termination of a franchise agreement; providing that a licensee who distributes 1,000 or more motor vehicles of a particular line-make to motor vehicle dealers in this state during any 12-month period must have established a network of at least three independent motor vehicle dealers in this state; providing applicability; amending s. 320.643, F.S.; authorizing a licensee to reject a proposed change in ownership if such change would cause violation of certain provisions; 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:

26 320.64 Denial, suspension, or revocation of license;
27 grounds.—A license of a licensee under s. 320.61 may be denied,
28 suspended, or revoked within the entire state or at any specific
29 location or locations within the state at which the applicant or
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
45 licensee's written, reasonable, and uniformly applied minimal
46 standard 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
52 the applicant or licensee to be in violation of subsection (44).

53 (b) Nothing in this subsection contained herein, however,
54 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
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.

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
92 licensee or its representative and designated as special tools
93 and 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
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 dealer.

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 shall not, by contract or otherwise, fail
137 or refuse to give effect to, prevent, prohibit, or penalize or
138 attempt to refuse to give effect to, prohibit, or penalize any
139 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:

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
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 shall not, by contract or otherwise, fail
193 or refuse to give effect to, prevent, prohibit, or penalize, or
194 attempt to refuse to give effect to, prevent, prohibit, or
195 penalize, any motor vehicle dealer or any proprietor, partner,
196 stockholder, owner, or other person who holds or otherwise owns
197 an interest therein from selling, assigning, transferring,
198 alienating, or otherwise disposing of, in whole or in part, the
199 equity interest of any of them in such motor vehicle dealer to
200 any other person or persons, including a corporation established

201 or existing for the purpose of owning or holding the stock or
202 ownership interests of other entities, unless the licensee
203 proves at a hearing pursuant to a complaint filed by a motor
204 vehicle dealer under this section that the sale, transfer,
205 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 after of
225 receipt of such rejection a complaint with the department

CS/HB 989

2026

226 alleging that the rejection was in violation of the law or the
227 franchise agreement. The licensee has the burden of proof with
228 respect to all issues raised by such complaint. The department
229 shall 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
233 licensee fails to file a response to the motor vehicle dealer's
234 complaint within 30 days after ~~of~~ receipt of the complaint,
235 unless the parties agree in writing to an extension, or if the
236 department, after a hearing, renders a decision on the complaint
237 other than one disqualifying the proposed transferee, the
238 transfer shall be deemed approved in accordance with the
239 determination and order rendered, effective upon compliance by
240 the proposed transferee with any conditions set forth in the
241 determination or order.

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

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