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:

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 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) Nothing in this subsection ~~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 establishing in any proceeding where such rejection is in issue that the rejection of the successor transferee complies with this subsection.

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

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

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

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

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

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

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

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

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

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

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

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

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

2. It has more than 30 percent of its equity interest directly or indirectly controlled or owned by one or more persons who also directly or indirectly control or own more than 30 percent of the equity interests of another motor vehicle dealer.

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

A motor vehicle dealer who can demonstrate that a violation of,

or failure to comply with, any of the preceding provisions by an applicant or licensee will or may adversely and pecuniarily affect the complaining dealer, shall be entitled to pursue all of the remedies, procedures, and rights of recovery available under ss. 320.695 and 320.697.

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

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

(1)(a) Notwithstanding the terms of any franchise agreement, a licensee shall not, by contract or otherwise, fail or refuse to give effect to, prevent, prohibit, or penalize or attempt to refuse to give effect to, prohibit, or penalize any motor vehicle dealer from selling, assigning, transferring, alienating, or otherwise disposing of its franchise agreement to any other person or persons, including a corporation established or existing for the purpose of owning or holding a franchise agreement, unless the licensee proves at a hearing pursuant to a complaint 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;

2. Is to a person who ~~or~~ does not meet the written, reasonable, and uniformly applied standards or qualifications of the licensee relating to financial qualifications of the

transferee and business experience of the transferee or the transferee's executive management; or

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

(b) A motor vehicle dealer who desires to sell, assign, transfer, alienate, or otherwise dispose of a franchise shall notify, or cause the proposed transferee to notify, the licensee, in writing, setting forth the prospective transferee's name, address, financial qualifications, and business experience during the previous 5 years. 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. No such transfer, assignment, or sale shall be valid unless the transferee agrees in writing to comply with all requirements of the franchise then in effect, but with the ownership changed to the transferee.

(c) ~~(b)~~ A motor vehicle dealer whose proposed sale is rejected may, within 60 days following such receipt of such rejection, file with the department a complaint for a determination that the proposed transferee has been rejected in violation of this section. The licensee has the burden of proof

with respect to all issues raised by the complaint. The department shall determine, and enter an order providing, that the proposed transferee is either 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 licensee fails to file such a response to the motor vehicle dealer's complaint within 30 days after receipt of the complaint, unless the parties agree in writing to an extension, or if the department, after a hearing, renders a decision other than one disqualifying the proposed transferee, the franchise agreement between the motor vehicle dealer and the licensee is deemed amended to incorporate such transfer or amended 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.

(2)(a) Notwithstanding the terms of any franchise agreement, a licensee shall not, by contract or otherwise, fail or refuse to give effect to, prevent, prohibit, or penalize, or attempt to refuse to give effect to, prevent, prohibit, or penalize, any motor vehicle dealer or any proprietor, partner, stockholder, owner, or other person who holds or otherwise owns an interest therein from selling, assigning, transferring, alienating, or otherwise disposing of, in whole or in part, the equity interest of any of them in such motor vehicle dealer to any other person or persons, including a corporation established

or existing for the purpose of owning or holding the stock or ownership interests of other entities, unless the licensee proves at a hearing pursuant to a complaint 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 after ~~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 licensee fails to file a response to the motor vehicle dealer's complaint within 30 days after ~~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.