

HCS HB 392 -- FRANCHISE DEALERS

SPONSOR: Crawford (Avery)

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Transportation and Motor Vehicles by a vote of 18 to 0.

This substitute requires franchisors, before granting a franchise to establish or relocate a motorcycle, all-terrain vehicle, or personal watercraft franchise within the market area of an existing franchise representing the same line-make, to notify existing franchises in the relevant market area and allows the existing franchise to file an action in court to determine whether good cause exists for the establishment or relocation of the franchise. Criteria for the determination of good cause are specified. The substitute defines market areas in counties with a population greater than 100,000 as within a radius of 10 miles and in counties with a population less than 100,000 as within a radius of 25 miles or the county line. The substitute does not apply to the reopening of a closed franchise that is within two miles of its place of business when it closed.

FISCAL NOTE: Not available at time of printing.

PROPOSERS: Supporters say that this legislation gives power sport dealers a procedure to challenge certain actions taken by their franchisors that could harm their business. The bill simply brings the parity of statutory franchise protections for power sport dealers on this issue.

Testifying for the bill were Representative Avery; Missouri Power Sport Dealers Association; Capitol City Yamaha, Jefferson City; Larry's Honda, Suzuki, Kawasaki, Jefferson City; and Yagers Harley-Davidson, Sedalia.

OPPOSERS: There was no opposition voiced to the committee.

Robert Triplett, Legislative Analyst