

HCS HB 1288 -- MOTORCYCLE AND ALL-TERRAIN FRANCHISE AGREEMENTS
(Threlkeld)

This substitute establishes regulations for compensation agreements between franchisors and franchisees of motorcycles and all-terrain vehicles.

The substitute requires franchisors to specify in writing the franchisee's obligation for preparation, delivery, and warranty service on its products and provide the franchisee with a schedule of compensation to be paid for parts, work, service, and the time allowance for the performance of the work and services.

A franchisor will be prohibited from:

- (1) Failing to perform any warranty obligation;
- (2) Failing to provide a written notice of franchisor recalls to the owner of new motorcycles and all-terrain vehicles; and
- (3) Failing to compensate franchisees for the cost of repairs effected by recalls.

Claims made by a franchisee for labor and parts must be paid within 30 days after approval. Franchisors must compensate franchisees for franchisor-sponsored sales or service promotion events, programs, or activities.

All claims must be approved or disapproved by the franchisor within 30 days after their receipt of an approved form containing the required information.

FISCAL NOTE: No impact on state funds in FY 2005, FY 2006, and FY 2007.