

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By \_\_\_\_\_

1 AMEND Senate Substitute for Senate Bill No. 28, Page 17, Section 301.010, Line 492, by inserting  
2 after all of said section and line the following:  
3

4 "301.140. 1. Upon the transfer of ownership of any motor vehicle or trailer, the certificate  
5 of registration and the right to use the number plates shall expire and the number plates shall be  
6 removed by the owner at the time of the transfer of possession, and it shall be unlawful for any  
7 person other than the person to whom such number plates were originally issued to have the same in  
8 his or her possession whether in use or not, unless such possession is solely for charitable purposes;  
9 except that the buyer of a motor vehicle or trailer who trades in a motor vehicle or trailer may attach  
10 the license plates from the traded-in motor vehicle or trailer to the newly purchased motor vehicle or  
11 trailer. The operation of a motor vehicle with such transferred plates shall be lawful for no more  
12 than thirty days, or no more than ninety days if the dealer is selling the motor vehicle under the  
13 provisions of section 301.213, or no more than sixty days if the dealer is selling the motor vehicle  
14 under the provisions of subsection 5 of section 301.210. As used in this subsection, the term "trade-  
15 in motor vehicle or trailer" shall include any single motor vehicle or trailer sold by the buyer of the  
16 newly purchased vehicle or trailer, as long as the license plates for the trade-in motor vehicle or  
17 trailer are still valid.

18 2. In the case of a transfer of ownership the original owner may register another motor  
19 vehicle under the same number, upon the payment of a fee of two dollars, if the motor vehicle is of  
20 horsepower, gross weight or (in the case of a passenger-carrying commercial motor vehicle) seating  
21 capacity, not in excess of that originally registered. When such motor vehicle is of greater  
22 horsepower, gross weight or (in the case of a passenger-carrying commercial motor vehicle) seating  
23 capacity, for which a greater fee is prescribed, the applicant shall pay a transfer fee of two dollars  
24 and a pro rata portion for the difference in fees. When such vehicle is of less horsepower, gross  
25 weight or (in case of a passenger-carrying commercial motor vehicle) seating capacity, for which a  
26 lesser fee is prescribed, the applicant shall not be entitled to a refund.

27 3. License plates may be transferred from a motor vehicle which will no longer be operated  
28 to a newly purchased motor vehicle by the owner of such vehicles. The owner shall pay a transfer  
29 fee of two dollars if the newly purchased vehicle is of horsepower, gross weight or (in the case of a  
30 passenger-carrying commercial motor vehicle) seating capacity, not in excess of that of the vehicle  
31 which will no longer be operated. When the newly purchased motor vehicle is of greater  
32 horsepower, gross weight or (in the case of a passenger-carrying commercial motor vehicle) seating  
33 capacity, for which a greater fee is prescribed, the applicant shall pay a transfer fee of two dollars  
34 and a pro rata portion of the difference in fees. When the newly purchased vehicle is of less  
35 horsepower, gross weight or (in the case of a passenger-carrying commercial motor vehicle) seating  
36 capacity, for which a lesser fee is prescribed, the applicant shall not be entitled to a refund.

Action Taken \_\_\_\_\_ Date \_\_\_\_\_

1           4. (1) The director of the department of revenue shall have authority to produce or allow  
2 others to produce a weather resistant, nontearing temporary permit authorizing the operation of a  
3 motor vehicle or trailer by a buyer for not more than thirty days, ~~[or no more than ninety days if~~  
4 ~~issued by a dealer selling the motor vehicle under the provisions of section 301.213,]~~ or no more  
5 than sixty days if issued by a dealer selling the motor vehicle under the provisions of subsection 5 of  
6 section 301.210, from the date of purchase. The temporary permit authorized under this section  
7 may be purchased by the purchaser of a motor vehicle or trailer from the central office of the  
8 department of revenue or from an authorized agent of the department of revenue upon satisfaction of  
9 all applicable taxes under chapter 144, upon proof of purchase of a motor vehicle or trailer for  
10 which the buyer has no registration plate available for transfer and upon proof of financial  
11 responsibility, or from a motor vehicle dealer upon purchase of a motor vehicle or trailer for which  
12 the buyer has no registration plate available for transfer, or from a motor vehicle dealer upon  
13 purchase of a motor vehicle or trailer for which the buyer has registered and is awaiting receipt of  
14 registration plates. The director of the department of revenue or a producer authorized by the  
15 director of the department of revenue may make temporary permits available to registered dealers in  
16 this state, authorized agents of the department of revenue or the department of revenue. The price  
17 paid by a motor vehicle dealer, an authorized agent of the department of revenue or the department  
18 of revenue for a temporary permit shall not exceed five dollars for each permit. The director of the  
19 department of revenue shall direct motor vehicle dealers and authorized agents to obtain temporary  
20 permits from an authorized producer. Amounts received by the director of the department of  
21 revenue for temporary permits shall constitute state revenue; however, amounts received by an  
22 authorized producer other than the director of the department of revenue shall not constitute state  
23 revenue and any amounts received by motor vehicle dealers or authorized agents for temporary  
24 permits purchased from a producer other than the director of the department of revenue shall not  
25 constitute state revenue. In no event shall revenues from the general revenue fund or any other state  
26 fund be utilized to compensate motor vehicle dealers or other producers for their role in producing  
27 temporary permits as authorized under this section. Amounts that do not constitute state revenue  
28 under this section shall also not constitute fees for registration or certificates of title to be collected  
29 by the director of the department of revenue under section 301.190. No motor vehicle dealer,  
30 authorized agent or the department of revenue shall charge more than five dollars for each permit  
31 issued. The permit shall be valid for a period of thirty days, or no more than ninety days if issued by  
32 a dealer selling the motor vehicle under the provisions of section 301.213, or no more than sixty  
33 days if issued by a dealer selling the motor vehicle under the provisions of subsection 5 of section  
34 301.210, from the date of purchase of a motor vehicle or trailer, or from the date of sale of the motor  
35 vehicle or trailer by a motor vehicle dealer for which the purchaser obtains a permit as set out above.  
36 No permit shall be issued for a vehicle under this section unless the buyer shows proof of financial  
37 responsibility. Each temporary permit issued shall be securely fastened to the back or rear of the  
38 motor vehicle in a manner and place on the motor vehicle consistent with registration plates so that  
39 all parts and qualities of the temporary permit thereof shall be plainly and clearly visible, reasonably  
40 clean and are not impaired in any way.

41           (2) The provisions of subdivision (1) of this subsection requiring satisfaction of all  
42 applicable taxes under chapter 144 shall become effective only upon notification by the director of  
43 the department of revenue that implementation of such requirements are technologically feasible  
44 following the development and maintenance of a modernized, integrated system for the titling of  
45 vehicles, the issuance and renewal of vehicle registrations, the issuance and renewal of drivers'  
46 licenses and identification cards, and the perfection and release of liens and encumbrances on  
47 vehicles.

48           5. The permit shall be issued on a form prescribed by the director of the department of  
49 revenue and issued only for the applicant's temporary operation of the motor vehicle or trailer

1 purchased to enable the applicant to temporarily operate the motor vehicle while proper title and  
2 registration plates are being obtained, or while awaiting receipt of registration plates, and shall be  
3 displayed on no other motor vehicle. Temporary permits issued pursuant to this section shall not be  
4 transferable or renewable, shall not be valid upon issuance of proper registration plates for the motor  
5 vehicle or trailer, and shall be returned to the department or to the department's agent upon the  
6 issuance of such proper registration plates. Any temporary permit returned to the department or to  
7 the department's agent shall be immediately destroyed. The provisions of this subsection shall not  
8 apply to temporary permits issued for commercial motor vehicles licensed in excess of twenty-four  
9 thousand pounds gross weight. The director of the department of revenue shall determine the size,  
10 material, design, numbering configuration, construction, and color of the permit. The director of the  
11 department of revenue, at his or her discretion, shall have the authority to reissue, and thereby  
12 extend the use of, a temporary permit previously and legally issued for a motor vehicle or trailer  
13 while proper title and registration are being obtained.

14 6. Every motor vehicle dealer that issues temporary permits shall keep, for inspection by  
15 proper officers, an accurate record of each permit issued by recording the permit number, the motor  
16 vehicle dealer's number, buyer's name and address, the motor vehicle's year, make, and  
17 manufacturer's vehicle identification number, and the permit's date of issuance and expiration date.  
18 Upon the issuance of a temporary permit by either the central office of the department of revenue, a  
19 motor vehicle dealer or an authorized agent of the department of revenue, the director of the  
20 department of revenue shall make the information associated with the issued temporary permit  
21 immediately available to the law enforcement community of the state of Missouri.

22 7. Upon the transfer of ownership of any currently registered motor vehicle wherein the  
23 owner cannot transfer the license plates due to a change of motor vehicle category, the owner may  
24 surrender the license plates issued to the motor vehicle and receive credit for any unused portion of  
25 the original registration fee against the registration fee of another motor vehicle. Such credit shall  
26 be granted based upon the date the license plates are surrendered. No refunds shall be made on the  
27 unused portion of any license plates surrendered for such credit.

28 8. An additional temporary license plate produced in a manner and of materials determined  
29 by the director to be the most cost-effective means of production with a configuration that matches  
30 an existing or newly issued plate may be purchased by a motor vehicle owner to be placed in the  
31 interior of the vehicle's rear window such that the driver's view out of the rear window is not  
32 obstructed and the plate configuration is clearly visible from the outside of the vehicle to serve as  
33 the visible plate when a bicycle rack or other item obstructs the view of the actual plate. Such  
34 temporary plate is only authorized for use when the matching actual plate is affixed to the vehicle in  
35 the manner prescribed in subsection 5 of section 301.130. The fee charged for the temporary plate  
36 shall be equal to the fee charged for a temporary permit issued under subsection 4 of this section.  
37 Replacement temporary plates authorized in this subsection may be issued as needed upon the  
38 payment of a fee equal to the fee charged for a temporary permit under subsection 4 of this section.  
39 The newly produced third plate may only be used on the vehicle with the matching plate, and the  
40 additional plate shall be clearly recognizable as a third plate and only used for the purpose specified  
41 in this subsection.

42 9. Notwithstanding the provisions of section 301.217, the director may issue a temporary  
43 permit to an individual who possesses a salvage motor vehicle which requires an inspection under  
44 subsection 9 of section 301.190. The operation of a salvage motor vehicle for which the permit has  
45 been issued shall be limited to the most direct route from the residence, maintenance, or storage  
46 facility of the individual in possession of such motor vehicle to the nearest authorized inspection  
47 facility and return to the originating location. Notwithstanding any other requirements for the  
48 issuance of a temporary permit under this section, an individual obtaining a temporary permit for the  
49 purpose of operating a motor vehicle to and from an examination facility as prescribed in this

subsection shall also purchase the required motor vehicle examination form which is required to be completed for an examination under subsection 9 of section 301.190 and provide satisfactory evidence that such vehicle has passed a motor vehicle safety inspection for such vehicle as required in section 307.350.

10. The director of the department of revenue may promulgate all necessary rules and regulations for the administration of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2012, shall be invalid and void.

11. The repeal and reenactment of this section shall become effective on the date the department of revenue or a producer authorized by the director of the department of revenue begins producing temporary permits described in subsection 4 of such section, or on July 1, 2013, whichever occurs first. If the director of revenue or a producer authorized by the director of the department of revenue begins producing temporary permits prior to July 1, 2013, the director of the department of revenue shall notify the revisor of statutes of such fact.

301.558. 1. A motor vehicle dealer, trailer dealer, boat dealer, or powersport dealer may fill in the blanks on standardized forms in connection with the sale or lease of a new or used motor vehicle, trailer, vessel, or vessel trailer if the motor vehicle dealer, trailer dealer, boat dealer, or powersport dealer does not charge for the services of filling in the blanks or otherwise charge for preparing documents.

2. A motor vehicle dealer, trailer dealer, boat dealer, or powersport dealer may charge an administrative fee in connection with the sale or lease of a new or used motor vehicle, trailer, vessel, or vessel trailer for the storage of documents or any other administrative or clerical services not prohibited by this section. A portion of the administrative fee may result in profit to the motor vehicle dealer, trailer dealer, boat dealer, or powersport dealer.

3. (1) Ten percent of any fee authorized under this section and charged by motor vehicle dealers or trailer dealers shall be remitted to the motor vehicle administration technology fund established in this subsection, for the development of the system specified in this subsection. Following the development of the system specified in this subsection, the director of the department of revenue shall notify motor vehicle dealers and trailer dealers, and implement the system, and the percentage of any fee authorized under this section required to be remitted to the fund shall be reduced to ~~[one]~~ three and one-half percent, which shall be used for maintenance of the system. This subsection shall expire on January 1, 2037.

(2) There is hereby created in the state treasury the "Motor Vehicle Administration Technology Fund", which shall consist of money collected as specified in this subsection. The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements. The fund shall be a dedicated fund and money in the fund shall be used solely by the department of revenue for the purpose of development and maintenance of a modernized, integrated system for the titling of vehicles, issuance and renewal of vehicle registrations, issuance and renewal of driver's licenses and identification cards, and perfection and release of liens and encumbrances on vehicles.

(3) Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund.

(4) The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

4. No motor vehicle dealer, trailer dealer, boat dealer, or powersport dealer that sells or leases new or used motor vehicles, trailers, vessels, or vessel trailers and imposes an administrative fee of five hundred dollars or less in connection with the sale or lease of a new or used motor vehicle, trailer, vessel, or vessel trailer for the storage of documents or any other administrative or clerical services shall be deemed to be engaging in the unauthorized practice of law. The maximum administrative fee permitted under this subsection shall be increased annually by an amount equal to the percentage change in the annual average of the Consumer Price Index for All Urban Consumers or its successor index, as reported by the federal Bureau of Labor Statistics or its successor agency, or by zero, whichever is greater. The director of the department of revenue shall annually furnish the maximum administrative fee determined under this section to the secretary of state, who shall publish such value in the Missouri Register as soon as practicable after January fourteenth of each year.

5. If an administrative fee is charged under this section, the same administrative fee shall be charged to all retail customers unless the fee is limited by the dealer's franchise agreement to certain classes of customers. The fee shall be disclosed on the retail buyer's order form as a separate itemized charge.

6. A preliminary worksheet on which a sale price is computed and that is shown to the purchaser, a retail buyer's order form from the purchaser, or a retail installment contract shall include, in reasonable proximity to the place on the document where the administrative fee authorized by this section is disclosed, the amount of the administrative fee and the following notice in type that is boldfaced, capitalized, underlined, or otherwise conspicuously set out from the surrounding written material:

"AN ADMINISTRATIVE FEE IS NOT AN OFFICIAL FEE AND IS NOT REQUIRED BY LAW BUT MAY BE CHARGED BY A DEALER. THIS ADMINISTRATIVE FEE MAY RESULT IN A PROFIT TO DEALER. NO PORTION OF THIS ADMINISTRATIVE FEE IS FOR THE DRAFTING, PREPARATION, OR COMPLETION OF DOCUMENTS OR THE PROVIDING OF LEGAL ADVICE. THIS NOTICE IS REQUIRED BY LAW."

7. The general assembly believes that an administrative fee charged in compliance with this section is not the unauthorized practice of law or the unauthorized business of law so long as the activity or service for which the fee is charged is in compliance with the provisions of this section and does not result in the waiver of any rights or remedies. Recognizing, however, that the judiciary is the sole arbitrator of what constitutes the practice of law, in the event that a court determines that an administrative fee charged in compliance with this section, and that does not waive any rights or remedies of the buyer, is the unauthorized practice of law or the unauthorized business of law, then no person who paid that administrative fee may recover said fee or treble damages, as permitted under section 484.020, and no person who charged that fee shall be guilty of a misdemeanor, as provided under section 484.020."; and

Further amend said bill, Page 18, Section 307.010, Line 36, by inserting after all of said section and line the following:

"407.1034. Notwithstanding the terms of any franchise agreement, the performance, whether by act or omission, by a motorcycle or all-terrain vehicle franchisor of any or all of the following acts enumerated in this section are hereby defined as unlawful practices, the remedies for which are set forth in section 407.1043:

(1) To engage in any conduct which is capricious, in bad faith, or unconscionable and which causes damage to a motorcycle or all-terrain vehicle franchisee or to the public; provided, that good faith conduct engaged in by motorcycle or all-terrain vehicle franchisors as sellers of new

1 motorcycles, all-terrain vehicles or parts or as holders of security interests therein, in pursuit of  
2 rights or remedies accorded to sellers of goods or to holders of security interests pursuant to the  
3 provisions of chapter 400, uniform commercial code, shall not constitute unfair practices pursuant to  
4 sections 407.1025 to 407.1049;

5 (2) To coerce any motorcycle or all-terrain vehicle franchisee to accept delivery of any new  
6 motorcycle, motorcycles, all-terrain vehicles, equipment, parts or accessories therefor, or any other  
7 commodity or commodities which such motorcycle or all-terrain vehicle franchisee has not ordered  
8 after such motorcycle or all-terrain vehicle franchisee has rejected such commodity or commodities.  
9 It shall not be deemed a violation of sections 407.1025 to 407.1049 for a motorcycle or all-terrain  
10 vehicle franchisor to require a motorcycle or all-terrain vehicle franchisee to have an inventory of  
11 parts, tools and equipment reasonably necessary to service the motorcycles or all-terrain vehicles  
12 sold by a motorcycle or all-terrain vehicle franchisor; or new motorcycles or all-terrain vehicles  
13 reasonably necessary to meet the demands of dealers or the public;

14 (3) To unreasonably refuse to deliver in reasonable quantities and within a reasonable time  
15 after receipt of orders for new motorcycles or all-terrain vehicles, such motorcycles or all-terrain  
16 vehicles as are so ordered and as are covered by such franchise and as are specifically publicly  
17 advertised by such motorcycle or all-terrain vehicle franchisor to be available for immediate  
18 delivery; provided, however, the failure to deliver any motorcycle or all-terrain vehicle shall not be  
19 considered a violation of sections 407.1025 to 407.1049 if such failure is due to an act of God, work  
20 stoppage, or delay due to a strike or labor difficulty, shortage of products or materials, freight  
21 delays, embargo or other cause of which such motorcycle or all-terrain vehicle franchisor has no  
22 control;

23 (4) To coerce any motorcycle or all-terrain vehicle franchisee to enter into any agreement  
24 with such motorcycle or all-terrain vehicle franchisor or to do any other act prejudicial to such  
25 motorcycle or all-terrain vehicle franchisee, by threatening to cancel any franchise or any  
26 contractual agreement existing between such motorcycle or all-terrain vehicle franchisor and  
27 motorcycle or all-terrain vehicle franchisee; provided, however, that notice in good faith to any  
28 motorcycle or all-terrain vehicle franchisee of such motorcycle or all-terrain vehicle franchisee's  
29 violation of any provisions of such franchise or contractual agreement shall not constitute a  
30 violation of sections 407.1025 to 407.1049;

31 (5) To terminate, cancel or refuse to continue any franchise, directly or indirectly through  
32 the actions of the franchisor, unless such new motorcycle or all-terrain vehicle franchisee  
33 substantially defaults in the performance of such franchisee's reasonable and lawful obligations  
34 under such franchisee's franchise, or such new motorcycle or all-terrain vehicle franchisor  
35 discontinues the sale in the state of Missouri of such franchisor's products which are the subject of  
36 the franchise:

37 (a) Notwithstanding the terms of any franchise agreement to the contrary, good cause to  
38 terminate, cancel or refuse to continue any franchise agreement shall not be established based upon  
39 the fact that the motorcycle or all-terrain vehicle franchisee owns, has an investment in, participates  
40 in the management of or holds a franchise agreement for the sale or service of another make or line  
41 of new motorcycles or all-terrain vehicles or the motorcycle or all-terrain vehicle dealer has  
42 established another make or line of new motorcycles or all-terrain vehicles or service in the same  
43 dealership facilities as those of the motorcycle or all-terrain vehicle franchisor prior to February 1,  
44 1998, or such establishment is approved in writing by the franchisee and the franchisor. However, a  
45 franchisor may require a franchisee to maintain a reasonable line of credit for each franchise and to  
46 comply with each franchisor's reasonable requirements concerning capital, management and  
47 facilities. If the franchise agreement requires the approval of the franchisor, such approval shall be  
48 requested in writing by the franchisee and the franchisor shall approve or disapprove such a request  
49 in writing within sixty days of receipt of such request. A request from a franchisee shall be deemed

1 to have been approved if the franchisor fails to notify the franchisee, in writing, of its disapproval  
2 within sixty days after its receipt of the written request;

3 (b) In determining whether good cause exists, the administrative hearing commission shall  
4 take into consideration the existing circumstances, including, but not limited to, the following  
5 factors:

- 6 a. The franchisee's sales in relation to sales in the market;
- 7 b. The franchisee's investment and obligations;
- 8 c. Injury to the public welfare;
- 9 d. The adequacy of the franchisee's service facilities, equipment, parts and personnel in  
10 relation to those of other franchisees of the same line-make;
- 11 e. Whether warranties are being honored by the franchisee;
- 12 f. The parties' compliance with their franchise agreement;
- 13 g. The desire of a franchisor for market penetration or a market study, if any, prepared by  
14 the franchisor or franchisee are two factors which may be considered;
- 15 h. The harm to the franchisor;

16 (6) To prevent by contract or otherwise, any motorcycle or all-terrain vehicle franchisee  
17 from changing the capital structure of the franchisee's franchise of such motorcycle or all-terrain  
18 vehicle franchisee or the means by or through which the franchisee finances the operation of the  
19 franchisee's franchise, provided the motorcycle or all-terrain vehicle franchisee at all times meets  
20 any reasonable capital standards agreed to between the motorcycle or all-terrain vehicle franchisee  
21 and the motorcycle or all-terrain vehicle franchisor and grants to the motorcycle or all-terrain  
22 vehicle franchisor a purchase money security interest in the new motorcycles or all-terrain vehicles,  
23 new parts and accessories purchased from the motorcycle or all-terrain vehicle franchisor;

24 (7) (a) Prevent, by contract or otherwise, any sale or transfer of a franchisee's franchise or  
25 franchises or interest or management thereof; provided, if the franchise specifically permits the  
26 franchisor to approve or disapprove any such proposed sale or transfer, a franchisor shall only be  
27 allowed to disapprove a proposed sale or transfer if the interest being sold or transferred when added  
28 to any other interest owned by the transferee constitutes fifty percent or more of the ownership  
29 interest in the franchise and if the proposed transferee fails to satisfy any standards of the franchisor  
30 which are in fact normally relied upon by the franchisor prior to its entering into a franchise, and  
31 which relate to the proposed management or ownership of the franchise operations or to the  
32 qualification, capitalization, integrity or character of the proposed transferee and which are  
33 reasonable. A franchisee may request, at any time, that the franchisor provide a copy of the  
34 standards which are normally relied upon by the franchisor to evaluate a proposed sale or transfer  
35 and a proposed transferee;

36 (b) The franchisee and the prospective franchisee shall cooperate fully with the franchisor in  
37 providing information relating to the prospective transferee's qualifications, capitalization, integrity  
38 and character;

39 (c) In the event of a proposed sale or transfer of a franchise, the franchisor shall be  
40 permitted to exercise a right of first refusal to acquire the franchisee's assets or ownership if:

- 41 a. The franchise agreement permits the franchisor to exercise a right of first refusal to  
42 acquire the franchisee's assets or ownership in the event of a proposed sale or transfer;
- 43 b. Such sale or transfer is conditioned upon the franchisor or franchisee entering a franchise  
44 agreement with the proposed transferee;
- 45 c. The exercise of the right of first refusal shall result in the franchisee and the franchisee's  
46 owners receiving the same or greater consideration and the same terms and conditions as contracted  
47 to receive in connection with the proposed sale or transfer;
- 48 d. The sale or transfer does not involve the sale or transfer to an immediate member or  
49 members of the family of one or more franchisee owners, defined as a spouse, child, grandchild,

1 spouse of a child or grandchild, brother, sister or parent of the franchisee owner, or to the qualified  
 2 manager, defined as an individual who has been employed by the franchisee for at least two years  
 3 and who otherwise qualifies as a franchisee operator, or a partnership or corporation controlled by  
 4 such persons; and

5 e. The franchisor agrees to pay the reasonable expenses, including attorney's fees which do  
 6 not exceed the usual, customary and reasonable fees charged for similar work done for other clients,  
 7 incurred by the proposed transferee prior to the franchisor's exercise of its right of first refusal in  
 8 negotiating and implementing the contract for the proposed sale or transfer of the franchise or the  
 9 franchisee's assets. Notwithstanding the foregoing, no payment of such expenses and attorney's fees  
 10 shall be required if the franchisee has not submitted or caused to be submitted an accounting of  
 11 those expenses within fourteen days of the franchisee's receipt of the franchisor's written request for  
 12 such an accounting. Such accounting may be requested by a franchisor before exercising its right of  
 13 first refusal;

14 (d) For determining whether good cause exists for the purposes of this subdivision, the  
 15 administrative hearing commission shall take into consideration the existing circumstances,  
 16 including, but not limited to, the following factors:

17 a. Whether the franchise agreement specifically permits the franchisor to approve or  
 18 disapprove any proposed sale or transfer;

19 b. Whether the interest to be sold or transferred when added to any other interest owned by  
 20 the proposed transferee constitutes fifty percent or more of the ownership interest in the franchise;

21 c. Whether the proposed transferee fails to satisfy any standards of the franchisor which are  
 22 in fact normally relied upon by the franchisor prior to its entering into a franchise, and which are  
 23 related to the proposed management or ownership of the franchise operations or to the qualification,  
 24 capitalization, integrity or character of the proposed transferee which are reasonable;

25 d. Injury to the public welfare;

26 e. The harm to the franchisor;

27 (8) To prevent by contract or otherwise any motorcycle or all-terrain vehicle franchisee from  
 28 changing the executive management of motorcycle or all-terrain vehicle franchisee's business,  
 29 except that any attempt by a motorcycle or all-terrain vehicle franchisor to demonstrate by giving  
 30 reasons that such change in executive management will be detrimental to the distribution of the  
 31 motorcycle or all-terrain vehicle franchisor's motorcycles shall not constitute a violation of this  
 32 subdivision;

33 (9) To impose unreasonable standards of performance upon a motorcycle or all-terrain  
 34 vehicle franchisee;

35 (10) To require a motorcycle or all-terrain vehicle franchisee at the time of entering into a  
 36 franchise arrangement to assent to a release, assignment, novation, waiver or estoppel which would  
 37 relieve any person from liability imposed by sections 407.1025 to 407.1049;

38 (11) To prohibit directly or indirectly the right of free association among motorcycle or all-  
 39 terrain vehicle franchisees for any lawful purpose;

40 (12) To provide any term or condition in any lease or other agreement ancillary or collateral  
 41 to a franchise, which term or condition directly or indirectly violates the provisions of sections  
 42 407.1025 to 407.1049;

43 (13) ~~Upon any termination, cancellation or refusal to continue any franchise or any~~  
 44 ~~discontinuation of any line make or parts or products related to such line make by a franchisor, fail~~  
 45 ~~to pay reasonable compensation to a franchisee as follows] To fail to repurchase a franchisee's~~  
 46 inventory and other items as set forth in this subdivision if a motorcycle or all-terrain franchise  
 47 agreement is terminated, cancelled, or not renewed by the manufacturer for cause; if the dealer  
 48 voluntarily terminates a motorcycle or all-terrain dealer agreement in a manner permitted by such  
 49 agreement; if the manufacturer terminates or discontinues a franchise by discontinuing a line-make



1 or by ceasing to do business in this state; or if the manufacturer changes the distributor or method of  
 2 distribution of its products in this state or alters its sales regions or marketing areas within this state  
 3 in a manner that eliminates or diminishes the dealer's market area. In such circumstances the  
 4 manufacturer shall, at the election of the motorcycle or all-terrain vehicle dealer, within thirty days  
 5 of termination, repurchase:

6 (a) Any new, undamaged and unsold motorcycles or all-terrain vehicles in the franchisee's  
 7 inventory of either the current model year or purchased from the franchisor within one hundred  
 8 twenty days prior to receipt of a notice of termination or nonrenewal, provided the motorcycle or  
 9 all-terrain vehicle has less than twenty miles registered on the odometer, including mileage incurred  
 10 in delivery from the franchisor or in transporting the motorcycle or all-terrain vehicle between  
 11 dealers for sale, at the dealer's net acquisition cost;

12 (b) The current parts catalog cost to the dealer of each new, unused, undamaged and unsold  
 13 part or accessory if the part or accessory is in the current parts catalog, less applicable allowances.  
 14 If the part or accessory was purchased by the franchisee from an outgoing authorized franchisee, the  
 15 franchisor shall purchase the part for either the price in the current parts catalog or the franchisee's  
 16 actual purchase price of the part, whichever is less;

17 (c) The depreciated value determined pursuant to generally accepted accounting principles  
 18 of each undamaged sign owned by the franchisee which bears a trademark or trade name used or  
 19 claimed by the franchisor if the sign was purchased from, or purchased at the request of, the  
 20 franchisor;

21 (d) The fair market value of all special tools, data processing equipment and motorcycle or  
 22 all-terrain vehicle service equipment owned by the franchisee which were recommended in writing  
 23 and designated as special tools and equipment and purchased from, or purchased at the request of,  
 24 the franchisor within three years of the termination of the franchise, if the tools and equipment are in  
 25 usable and good condition, except for reasonable wear and tear; and

26 (e) The franchisor shall pay the franchisee the amounts specified in this subdivision within  
 27 ninety days after the tender of the property subject to the franchisee providing evidence of good and  
 28 clear title upon return of the property to the franchisor. Unless previous arrangements have been  
 29 made and agreed upon, the franchisee is under no obligation to provide insurance for the property  
 30 left after one hundred eighty days;

31 (14) To prevent or refuse to honor the succession to a franchise or franchises by any legal  
 32 heir or devisee under the will of a franchisee, under any written instrument filed with the franchisor  
 33 designating any person as the person's successor franchisee, or pursuant to the laws of descent and  
 34 distribution of this state; provided:

35 (a) Any designated family member of a deceased or incapacitated franchisee shall become  
 36 the succeeding franchisee of such deceased or incapacitated franchisee if such designated family  
 37 member gives the franchisor written notice of such family member's intention to succeed to the  
 38 franchise or franchises within forty-five days after the death or incapacity of the franchisee, and  
 39 agrees to be bound by all of the terms and conditions of the current franchise agreement, and the  
 40 designated family member meets the current reasonable criteria generally applied by the franchisor  
 41 in qualifying franchisees. A franchisee may request, at any time, that the franchisor provide a copy  
 42 of such criteria generally applied by the franchisor in qualifying franchisees;

43 (b) The franchisor may request from a designated family member such personal and  
 44 financial data as is reasonably necessary to determine whether the existing franchise agreement  
 45 should be honored. The designated family member shall supply the personal and financial data  
 46 promptly upon the request;

47 (c) If the designated family member does not meet the reasonable criteria generally applied  
 48 by the franchisor in qualifying franchisees, the discontinuance of the current franchise agreement

1 shall take effect not less than ninety days after the date the franchisor serves the required notice on  
2 the designated family member pursuant to subsection 5 of section 407.1031;

3 (d) The provisions of this subdivision shall not preclude a franchisee from designating any  
4 person as the person's successor by written instrument filed with the franchisor, and if such an  
5 instrument is filed, it alone shall determine the succession rights to the management and operation  
6 of the franchise; and

7 (e) For determining whether good cause exists, the administrative hearing commission shall  
8 take into consideration the existing circumstances, including, but not limited to, the following  
9 factors:

10 a. Whether the franchise agreement specifically permits the franchisor to approve or  
11 disapprove any successor;

12 b. Whether the proposed successor fails to satisfy any standards of the franchisor which are  
13 in fact normally relied upon by the franchisor prior to the successor entering into a franchise, and  
14 which relate to the proposed management or ownership of the franchise operation or to the  
15 qualification, capitalization, integrity or character of the proposed successor and which are  
16 reasonable;

17 c. Injury to the public welfare;

18 d. The harm to the franchisor;

19 (15) To coerce, threaten, intimidate or require a franchisee under any condition affecting or  
20 related to a franchise agreement, or to waive, limit or disclaim a right that the franchisee may have  
21 pursuant to the provisions of sections 407.1025 to 407.1049. Any contracts or agreements which  
22 contain such provisions shall be deemed against the public policy of the state of Missouri and are  
23 void and unenforceable. Nothing in this section shall be construed to prohibit voluntary settlement  
24 agreements;

25 (16) To initiate any act enumerated in this subsection on grounds that it has advised a  
26 franchisee of its intention to discontinue representation at the time of a franchisee change."; and  
27

28 Further amend said bill by amending the title, enacting clause, and intersectional references  
29 accordingly.