

HB 969 -- MOTORCYCLE OR ALL-TERRAIN VEHICLE FRANCHISORS

SPONSOR: Knight

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Economic Development by a vote of 13 to 0. Voted "Do Pass" by the Standing Committee on Rules-Administrative by a vote of 9 to 0.

Currently, it is unlawful for a motorcycle or all-terrain vehicle franchisor to fail to pay reasonable compensation for certain items to a franchisee upon termination, cancellation, or refusal to continue a franchise or upon the discontinuation of certain line-make parts or products. This bill would make it unlawful to fail to repurchase a franchisee's inventory or other items if the motorcycle or all-terrain franchise agreement is terminated, canceled, or not renewed by the manufacturer for cause; if the dealer voluntarily terminates an agreement in a permitted manner; if the manufacturer terminates or discontinues a franchise by discontinuing a line-make or by no longer doing business in this State; or if the manufacturer changes the distributor or method of distribution of its products in this State or alters its sales regions or marketing areas within this State in a way that eliminates or diminishes the dealer's market area. The manufacturer must repurchase the items within 30 days of termination.

PROPOSERS: Supporters say that this bill will allow franchisees to sever ties with franchisors that are not meeting the terms of the agreement or contract. Supporters say that, currently, franchisors can sever ties with franchisees for any reason, while franchisees remain stuck in those contracts. Supporters say this needs to be fixed, and this bill will give franchisees the ability to get out of deals that are not fruitful to them.

Testifying in person for the bill were Representative Knight; Missouri Automobile Dealers Association; Missouri Auto Dealers Association; Arnie Dienoff.

OPPOSERS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.