



Sen. Dave Syverson

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09800HB2508sam001

LRB098 08562 MLW 45571 a

1 AMENDMENT TO HOUSE BILL 2508

2 AMENDMENT NO. _____. Amend House Bill 2508 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Motor Vehicle Franchise Act is amended by
5 changing Section 10.1 as follows:

6 (815 ILCS 710/10.1) (from Ch. 121 1/2, par. 760.1)

7 Sec. 10.1. (a) As used in this Section, "motorcycle" means
8 every motor vehicle having a seat or saddle for the use of the
9 rider and designed to travel with 3 or less wheels in contact
10 with the ground, excluding farm, garden, and lawn equipment,
11 and including off-highway vehicles.

12 (b) It shall be deemed a violation for a manufacturer, a
13 distributor, a wholesaler, a distributor branch or division, or
14 officer, agent or other representative thereof:

15 (1) To require a motorcycle franchisee to participate
16 in a retail financing plan or retail leasing plan or to

1 participate in any retail consumer insurance plan.

2 (2) To own, to operate or to control any motorcycle
3 dealership in this State for a period longer than 2 years.

4 (3) Whenever any motorcycle dealer enters into a
5 franchise agreement, evidenced by a contract, with a
6 wholesaler, manufacturer or distributor wherein the
7 franchisee agrees to maintain an inventory and the contract
8 is terminated by the wholesaler, manufacturer,
9 distributor, or franchisee, then the franchisee may
10 require the repurchase of the inventory as provided for in
11 this Act. If the franchisee has any outstanding debts to
12 the wholesaler, manufacturer or distributor then the
13 repurchase amount may be credited to the franchisee's
14 account. The franchise agreement shall either expressly or
15 by operation of law have as part of its terms a security
16 agreement whereby the wholesaler, manufacturer, or
17 distributor agrees to and does grant a security interest to
18 the motorcycle dealer in the repurchased inventory to
19 secure payment of the repurchase amount to the dealer. The
20 perfection, priority, and other matters relating to the
21 security interest shall be governed by Article 9 of the
22 Uniform Commercial Code. The provisions of this Section
23 shall not be construed to affect in any way any security
24 interest that any financial institution, person,
25 wholesaler, manufacturer, or distributor may have in the
26 inventory of the motorcycle dealer.

1 (4) To require a motorcycle dealer to utilize
2 manufacturer approved floor fixtures for the display of any
3 product that is not a product of the manufacturer.

4 (5) To require a motorcycle dealer to purchase lighting
5 fixtures that are to be installed in the dealership only
6 from the manufacturer's approved vendors.

7 (6) To require a motorcycle dealer to relocate to a new
8 or alternate facility.

9 (c) The provisions of this Section 10.1 are applicable to
10 all new or existing motorcycle franchisees and franchisors and
11 are in addition to the other rights and remedies provided in
12 this Act, and, in the case of a conflict with other provisions
13 contained in this Act, with respect to motorcycle franchises,
14 this Section shall be controlling.

15 (d) The filing of a timely protest by a motorcycle
16 franchise before the Motor Vehicle Review Board as prescribed
17 by Sections 12 and 29 of this Act, shall stay the effective
18 date of a proposed additional franchise or selling agreement,
19 or the effective date of a proposed motorcycle dealership
20 relocation, or the effective date of a cancellation,
21 termination or modification, or extend the expiration date of a
22 franchise or selling agreement by refusal to honor succession
23 to ownership or refusal to approve a sale or transfer pending a
24 final determination of the issues in the hearing.

25 (Source: P.A. 91-142, eff. 7-16-99.)"