

AN ACT concerning business.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

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

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

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

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

(1) To require a motorcycle franchisee to participate in a retail financing plan or retail leasing plan or to participate in any retail consumer insurance plan.

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

(3) (Blank).

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

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

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

(7) To coerce or require any motorcycle dealer to construct improvements to the dealer's facility at a substantial cost to the dealer or to condition any motorcycle dealer's eligibility for payments under any discount, credit, rebate, sales incentive, or similar program on the dealer constructing improvements to the dealer's facility at a substantial cost to the dealer. As used in this paragraph (7), "substantial cost" means an amount equal to or greater than 10% of a motorcycle dealer's average annual net profits for the 3 years preceding the proposed improvements to that dealer's facility.

Whenever any motorcycle dealer enters into a franchise agreement, evidenced by a contract, with a wholesaler, manufacturer, or distributor wherein the franchisee agrees to maintain an inventory and the contract is terminated by the wholesaler, manufacturer, distributor, or franchisee, then the franchisee may require the repurchase of the inventory as provided for in this Act. If the franchisee has any outstanding debts to the wholesaler, manufacturer, or distributor, then the repurchase amount may be credited to the

franchisee's account. The franchise agreement shall either expressly or by operation of law have as part of its terms a security agreement whereby the wholesaler, manufacturer, or distributor agrees to and does grant a security interest to the motorcycle dealer in the repurchased inventory to secure payment of the repurchase amount to the dealer. The perfection, priority, and other matters relating to the security interest shall be governed by Article 9 of the Uniform Commercial Code. The provisions of this Section shall not be construed to affect in any way any security interest that any financial institution, person, wholesaler, manufacturer, or distributor may have in the inventory of the motorcycle dealer.

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

(d) The filing of a timely protest by a motorcycle franchise before the Motor Vehicle Review Board as prescribed by Sections 12 and 29 of this Act, shall stay the effective date of a proposed additional franchise or selling agreement, or the effective date of a proposed motorcycle dealership relocation, or the effective date of a cancellation, termination, or modification, or extend the expiration date of

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a franchise or selling agreement by refusal to honor succession to ownership or refusal to approve a sale or transfer pending a final determination of the issues in the hearing.

(Source: P.A. 100-863, eff. 8-14-18.)

Section 99. Effective date. This Act takes effect upon becoming law.