LEGISLATIVE GENERAL COUNSEL
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POWERSPORT VEHICLE FRANCHISE ACT AMENDMENTS

2012 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Douglas Sagers

Senate Sponsor: ____________

LONG TITLE

General Description:

This bill amends the Powersport Vehicle Franchise Act.

Highlighted Provisions:

This bill:

- modifies a provision relating to a franchisor's obligation to pay a franchisee for unsold vehicles when a powersport vehicle franchise is terminated or not continued.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

13-35-307, as last amended by Laws of Utah 2009, Chapter 261

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **13-35-307** is amended to read:

13-35-307. Franchisor's repurchase obligations upon termination or noncontinuation of franchise.

(1) (a) Except as provided in Subsection (1)(b), if a franchise is terminated or not continued by the franchisor or franchisee, the franchisor shall pay the franchisee:

(i) the franchisee's cost of new, undamaged, [~~and~~] unsold, and unregistered powersport vehicles in the franchisee's inventory acquired from the franchisor or another franchisee of the same line-make [~~representing both the current model year at the time of termination or noncontinuation and the immediately prior model year vehicles~~];

(ii) any charges made by the franchisor for distribution, delivery, or taxes;

(iii) the franchisee's cost of any accessories added on a vehicle;

(iv) the cost of new, undamaged, and unsold supplies, parts, and accessories as set forth in the franchisor's catalog at the time of termination or noncontinuation less all allowances paid or credited to the franchisee by the franchisor;

(v) except as provided in Subsection (1)(c), the fair market value, but not less than the franchisee's depreciated acquisition cost, of each undamaged sign owned by the franchisee that bears a common name, trade name, or trademark of the franchisor if acquisition of the sign was recommended or required by the franchisor;

(vi) the fair market value, but not less than the franchisee's depreciated acquisition cost, of all special tools, equipment, and furnishings acquired from the franchisor or sources approved by the franchisor that were recommended or required by the franchisor and are in good and usable condition; and

(vii) the cost of transporting, handling, packing, and loading powersport vehicles, supplies, parts, accessories, signs, special tools, equipment, and furnishings.

(b) The franchisor may deduct the sum of all allowances paid or credited to the franchisee by the franchisor from the amount owed under Subsection (1)(a).

(c) If a franchisee has a sign with multiple manufacturers listed, the franchisor shall pay only for its pro rata portion of the sign described in Subsection (1)(a)(v).

(2) The franchisor shall pay the franchisee the amounts specified in Subsection (1) within 90 days after the tender of the property to the franchisor if the franchisee has:

(a) clear title to the property; or

(b) the manufacturer's statement of origin.

(3) If repurchased inventory and equipment are subject to a security interest, the franchisor may make payment jointly to the franchisee and to the holder of the security interest.

Legislative Review Note
as of 12-15-11 3:37 PM

Office of Legislative Research and General Counsel