

HB 1288 -- Motorcycle, All-Terrain, and Personal Watercraft
Franchise Agreements

Sponsor: Threlkeld

This bill establishes regulations for compensation agreements between franchisors and franchisees.

The bill requires franchisors to specify in writing the franchisee's obligation for preparation, delivery, and warranty service on its products and provide the franchisee with a schedule of compensation to be paid for parts, work, service, and time allowance for the performance of work and services.

A franchisor will be prohibited from:

- (1) Failing to perform any warranty obligation;
- (2) Failing to include in writing notice of franchisor recalls to the owner of new motorcycles, all-terrain vehicles, and personal watercraft; and
- (3) Failing to compensate franchisees for repairs effected by recalls.

Claims made by a franchisee for labor and parts must be paid within 30 days after approval. Franchisors must compensate franchisees for franchisor-sponsored sales or service promotion events, programs, or activities.

All claims must be approved or disapproved by the franchisor within 30 days after their receipt of an approved form containing the required information.