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POWERSPORT VEHICLE FRANCHISE ACT
REVISIONS
2009 GENERAL SESSION
STATE OF UTAH
<b>Chief Sponsor: James R. Gowans</b>
Senate Sponsor: Curtis S. Bramble
LONG TITLE
General Description:
This bill modifies a powersport vehicle franchisor's obligations upon the termination of
a franchise by a franchisee.
Highlighted Provisions:
This bill:
<ul> <li>requires a powersport franchisor to pay certain amounts to a franchisee upon</li> </ul>
termination of the franchise by the franchisee; and
<ul> <li>makes technical changes.</li> </ul>
Monies Appropriated in this Bill:
None
Other Special Clauses:
None
Utah Code Sections Affected:
AMENDS:
13-35-307, as enacted by Laws of Utah 2002, Chapter 234
Be it enacted by the Legislature of the state of Utah:
Section 1. Section <b>13-35-307</b> is amended to read:
13-35-307. Franchisor's repurchase obligations upon termination or
noncontinuation of franchise.
(1) (a) [Upon the termination or noncontinuation of a franchise] Except as provided in

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30	Subsection (1)(b), if a franchise is terminated or not continued by the franchisor or franchisee,
31	the franchisor shall pay the franchisee:
32	[(a)] (i) the franchisee's cost of new, undamaged, and unsold powersport vehicles in
33	the franchisee's inventory acquired from the franchisor or another franchisee of the same
34	line-make representing both the current model year at the time of termination or
35	noncontinuation and the immediately prior model year vehicles[:]:
36	[(i) plus] (ii) any charges made by the franchisor[,] for distribution, delivery, or taxes;
37	[(ii) plus] (iii) the franchisee's cost of any accessories added on [the] a vehicle [shall
38	be repurchased]; [and]
39	[(iii) less all allowances paid or credited to the franchisee by the franchisor;]
40	[(b)] (iv) the cost of [all] new, undamaged, and unsold supplies, parts, and accessories
41	as set forth in the franchisor's catalog at the time of termination or noncontinuation [for the
42	supplies, parts, and accessories,] less all allowances paid or credited to the franchisee by the
43	franchisor;
44	[(c)] (v) except as provided in Subsection (1)(c), the fair market value, but not less
45	than the franchisee's depreciated acquisition cost, of each undamaged sign owned by the
46	franchisee that bears a common name, trade name, or trademark of the franchisor if
47	acquisition of the sign was recommended or required by the franchisor[. If a franchisee has a
48	sign with multiple manufacturers listed, the franchisor is only responsible for its pro rata
49	portion of the sign];
50	$\left[\frac{d}{d}\right]$ (vi) the fair market value, but not less than the franchisee's depreciated
51	acquisition cost, of all special tools, equipment, and furnishings acquired from the franchisor
52	or sources approved by the franchisor that were recommended or required by the franchisor
53	and are in good and usable condition; and
54	[(e)] (vii) the cost of transporting, handling, packing, and loading powersport vehicles,
55	supplies, parts, accessories, signs, special tools, equipment, and furnishings.
56	(b) The franchisor may deduct the sum of all allowances paid or credited to the
57	franchisee by the franchisor from the amount owed under Subsection (1)(a).

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58 (c) If a franchisee has a sign with multiple manufacturers listed, the franchisor shall 59 pay only for its pro rata portion of the sign described in Subsection (1)(a)(v). 60 (2) The franchisor shall pay the franchisee the amounts specified in Subsection (1) 61 within 90 days after the tender of the property to the franchisor if the franchisee has: (a) [has] clear title to the property; [and] or 62 63 (b) [is in a position to convey title to the franchisor] the manufacturer's statement of origin. 64 (3) If repurchased inventory and equipment are subject to a security interest, the 65 franchisor may make payment jointly to the franchisee and to the holder of the security 66 67 interest.