

THE FLORIDA SENATE  
2014 SUMMARY OF LEGISLATION PASSED  
**Committee on Banking and Insurance**

**CS/CS/HB 783 — Motor Vehicle Sales**

by Regulatory Affairs Committee; Insurance and Banking Subcommittee; Rep. Albritton and others (CS/CS/SB 832 by Judiciary Committee; Banking and Insurance Committee; Senators Flores and Diaz de la Portilla)

The bill prohibits an affiliated finance company from denying or charging an additional fee or surcharge on a motor vehicle finance contract, solely because that contract includes a competing third-party automotive-related product that is of similar nature, scope and quality to an automotive-related product offered by the finance company or its affiliates. Factors in determining whether an automotive related product is similar in nature, scope, and quality include, but are not limited to, the financial capacity of the third-party provider to meet all of its obligations, inclusive of any contractual liability insurance policies, and the third-party provider's history of compliance with any applicable state and federal regulations.

The bill provides that a violation of its provisions is not a criminal violation of ch. 545, F.S., which regulates the relationship between motor vehicle manufacturers and dealers.

With regard to the financing of a motor vehicle sale the bill defines:

- “Affiliated finance company” to mean a finance company which is affiliated with or controlled by a manufacturer or wholesale distributor through common ownership, officers, directors, or management; or has a contractual agreement with a manufacturer or wholesale distributor to finance, via sale or lease, motor vehicles produced or distributed by such manufacturer or wholesale distributor.
- “Automotive related product” to mean a motor vehicle service agreement as defined in s. 634.011, F.S., or a guaranteed asset protection product as defined in s. 520.02, F.S., or other non-tangible ancillary product that is purchased or otherwise provided as part of the sale or lease of a motor vehicle by a dealer.
- “Third-party provider” to mean a provider of an automotive related product that is not an affiliated finance company, manufacturer, or wholesale distributor.
- “Vehicle contract” to mean a conditional sales contract, retail installment sales contract, chattel mortgage, lease agreement, promissory note, or any other financial obligation arising from the retail sale or lease of a motor vehicle.

If approved by the Governor, these provisions take effect July 1, 2014.

*Vote: Senate 37-0; House 114-0*