

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 6100

A bill to amend 1981 PA 118, entitled

"An act to regulate motor vehicle manufacturers, distributors, wholesalers, dealers, and their representatives; to regulate dealings between manufacturers and distributors or wholesalers and their dealers; to regulate dealings between manufacturers, distributors, wholesalers, dealers, and consumers; to prohibit unfair practices; to provide remedies and penalties; and to repeal certain acts and parts of acts,"

by amending sections 11, 12, 13, and 14 (MCL 445.1571, 445.1572, 445.1573, and 445.1574), sections 11 and 12 as amended by 1983 PA 188, section 13 as amended by 1998 PA 456, and section 14 as amended by 2000 PA 239.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) ~~Upon the termination, cancellation, nonrenewal,~~
2 ~~or discontinuance of any dealer agreement,~~ **SUBJECT TO SECTION 12,**
3 **IF A MANUFACTURER TERMINATES, CANCELS, DOES NOT RENEW, OR**
4 **DISCONTINUES A DEALER AGREEMENT FOR ANY REASON OTHER THAN A REASON**

DESCRIBED IN SECTION 10(C), OR IF A DEALER AGREEMENT IS TERMINATED,
CANCELED, NONRENEWED, OR DISCONTINUED AS A RESULT OF COERCION BY
THE MANUFACTURER, THE MANUFACTURER SHALL PAY the new motor vehicle
dealer ~~shall be allowed fair and reasonable compensation by the~~
~~manufacturer or distributor for~~ ALL OF the following:

(a) ~~All new current model year motor vehicle inventory~~
~~purchased from the manufacturer or distributor, which has not been~~
~~materially altered, substantially damaged, or driven for more than~~
~~300 miles and all new motor vehicle inventory not of the current~~
~~model year which has not been materially altered, substantially~~
~~damaged, or driven for more than 300 miles, provided the noncurrent~~
~~model vehicles were purchased from the manufacturer or distributor~~
~~and drafted on the dealer's financing source or paid for within 120~~
~~days of the effective date of the termination, cancellation, or~~
~~nonrenewal.~~ EACH VEHICLE IN THE NEW MOTOR VEHICLE DEALER'S
INVENTORY THAT MEETS ALL OF THE FOLLOWING:

(i) THE VEHICLE IS NEW, UNDAMAGED, NOT MATERIALLY ALTERED, AND
UNSOLD.

(ii) THE VEHICLE IS A CURRENT MODEL YEAR VEHICLE OR A VEHICLE
FROM THE MODEL YEAR PRECEDING THE CURRENT MODEL YEAR.

(iii) THE VEHICLE WAS PURCHASED FROM THE MANUFACTURER OR ANOTHER
DEALER OF THE SAME LINE MAKE IN THE ORDINARY COURSE OF BUSINESS
BEFORE THE DEALER RECEIVED NOTICE OF THE TERMINATION,
DISCONTINUANCE, CANCELLATION, OR NONRENEWAL OF THE DEALER AGREEMENT
UNDER SECTION 10.

(iv) THE VEHICLE HAS LESS THAN 750 MILES REGISTERED ON THE
ODOMETER.

1 (b) Supplies and parts inventory purchased from the
2 manufacturer ~~or distributor~~ and listed in the manufacturer's ~~or~~
3 ~~distributor's~~ current parts catalog.

4 (c) Equipment ~~, furnishings,~~ and signs purchased from the
5 manufacturer. ~~or distributor.~~

6 (d) Special tools purchased from the manufacturer ~~or~~
7 ~~distributor within 3 years of the date of~~ **IN THE 3-YEAR PERIOD**
8 **PRECEDING THE EFFECTIVE DATE OF THE** termination, cancellation,
9 nonrenewal, or discontinuance **OF THE DEALER AGREEMENT.**

10 (E) DATA PROCESSING PROGRAMS, SOFTWARE, AND EQUIPMENT THAT A
11 MANUFACTURER REQUIRED THAT A TERMINATED NEW MOTOR VEHICLE DEALER
12 OBTAIN OR PURCHASE FOR COMMUNICATION OF SALES, SERVICE, WARRANTY,
13 OR OTHER INFORMATION BETWEEN THE DEALER AND THE MANUFACTURER; THAT
14 THE TERMINATED DEALER USED EXCLUSIVELY FOR THE MAKE OR LINE OF
15 VEHICLE AND LOCATION COVERED BY THE TERMINATED DEALER AGREEMENT TO
16 MANAGE OR REPORT DATA TO THE MANUFACTURER; AND THAT MEETS 1 OF THE
17 FOLLOWING:

18 (i) IT WAS PURCHASED BY THE DEALER IN THE 2-YEAR PERIOD
19 PRECEDING THE DATE OF THE TERMINATION, DISCONTINUANCE,
20 CANCELLATION, OR NONRENEWAL OF THE DEALER AGREEMENT.

21 (ii) IT WAS LEASED BY THE DEALER BEFORE THE EFFECTIVE DATE OF
22 THE TERMINATION. HOWEVER, A MANUFACTURER IS ONLY RESPONSIBLE UNDER
23 THIS SUBPARAGRAPH FOR THE AMOUNTS REMAINING TO BE PAID OR PAID IN
24 ADVANCE ON THE DEALER'S LEASE FOR A PERIOD THAT DOES NOT EXCEED 2
25 YEARS.

26 (F) THE NET COST OF ANY UPGRADES OR ALTERATIONS MADE BY A
27 TERMINATED NEW MOTOR VEHICLE DEALER TO THE DEALERSHIP FACILITIES IF

1 THE MANUFACTURER REQUIRED THE UPGRADES OR ALTERATIONS AND THE
2 UPGRADES OR ALTERATIONS WERE MADE IN THE 2-YEAR PERIOD PRECEDING
3 THE EFFECTIVE DATE OF THE TERMINATION OF THE DEALER AGREEMENT. IN
4 DETERMINING FAIR AND REASONABLE COMPENSATION UNDER THIS
5 SUBDIVISION, THE MANUFACTURER MAY OFFSET ANY AMOUNTS PAID BY THE
6 MANUFACTURER TO SUBSIDIZE OR OTHERWISE ASSIST THE DEALER IN MAKING
7 THE UPGRADES OR ALTERATIONS.

8 (G) THE NET COST OF ANY FURNISHINGS THE MANUFACTURER REQUIRED
9 THAT A TERMINATED NEW MOTOR VEHICLE DEALER PURCHASE IN THE 2-YEAR
10 PERIOD PRECEDING THE EFFECTIVE DATE OF THE TERMINATION OF THE
11 DEALER AGREEMENT. IN DETERMINING FAIR AND REASONABLE COMPENSATION
12 UNDER THIS SUBDIVISION, THE MANUFACTURER MAY OFFSET ANY AMOUNTS
13 PAID BY THE MANUFACTURER TO SUBSIDIZE OR OTHERWISE ASSIST THE
14 DEALER IN PURCHASING THOSE FURNISHINGS.

15 ~~(2) Upon the termination, cancellation, nonrenewal, or~~
16 ~~discontinuance of a dealer agreement,~~ IN ADDITION TO THE PAYMENT OF
17 COMPENSATION UNDER SUBSECTION (1), SUBJECT TO SECTION 12, IF A
18 MANUFACTURER TERMINATES, CANCELS, DOES NOT RENEW, OR DISCONTINUES A
19 DEALER AGREEMENT FOR ANY REASON OTHER THAN A REASON DESCRIBED IN
20 SECTION 10 (C), the manufacturer ~~or distributor~~ shall also pay to
21 the new motor vehicle dealer ~~a sum~~ IN EQUAL MONTHLY INSTALLMENTS AN
22 AMOUNT equal to the ~~current,~~ fair rental value of his ~~or her~~ ITS
23 established place of business for a period of 1 year from the
24 effective date of termination, cancellation, nonrenewal, or
25 discontinuance, or the remainder of any lease, whichever is less.
26 ~~However, the payment required by this subsection shall not apply to~~
27 ~~any termination, cancellation, nonrenewal, or discontinuance made~~

1 ~~pursuant to section 10(c).~~ **THIS OBLIGATION IS SUBJECT TO BOTH OF THE**
2 **FOLLOWING:**

3 (A) ~~(3) The requirement of paying an annual~~ **OBLIGATION TO PAY**
4 **A NEW MOTOR VEHICLE DEALER** fair rental value ~~pursuant to~~ **UNDER THIS**
5 subsection ~~(2) shall apply~~ **APPLIES** only to the extent **THAT** the new
6 motor vehicle dealer's established place of business is used for
7 performance of sales and service obligations under the
8 manufacturer's ~~or distributor's~~ dealer agreement.

9 (B) ~~(4) In the event that termination is by the dealer, IF THE~~
10 **NEW MOTOR VEHICLE DEALER TERMINATES A DEALER AGREEMENT, THE**
11 **MANUFACTURER IS ONLY REQUIRED TO MAKE** the payment required ~~by~~ **UNDER**
12 **THIS** subsection ~~(2) is required only if the new motor vehicle~~
13 dealer makes available to the manufacturer ~~or distributor~~ **AND THE**
14 **MANUFACTURER ACCEPTS** use and possession of the premises free of any
15 claims of others for the 1-year period, except for use by the
16 dealer for closing his or her business.

17 ~~—— (5) In the event that termination is by the dealer, the~~
18 ~~payment required by subsection (2) shall not exceed \$20,000.00~~
19 ~~unless provided otherwise by contract entered into between the~~
20 ~~parties.~~

21 (3) **IN ADDITION TO THE PAYMENT OF COMPENSATION UNDER**
22 **SUBSECTION (1), SUBJECT TO SECTION 12, IF A MANUFACTURER**
23 **TERMINATES, CANCELS, DOES NOT RENEW, OR DISCONTINUES A DEALER**
24 **AGREEMENT FOR ANY OF THE FOLLOWING REASONS, THE MANUFACTURER SHALL**
25 **PAY THE NEW MOTOR VEHICLE DEALER FAIR AND REASONABLE COMPENSATION**
26 **FOR THE GOODWILL OF THE DEALER:**

27 (A) **THE OWNERSHIP, OPERATION, OR CONTROL OF ALL OR PART OF THE**

1 BUSINESS OF THE MANUFACTURER CHANGES, WHETHER BY SALE OR TRANSFER
2 OF ASSETS, CORPORATE STOCK, OR OTHER EQUITY INTEREST, ASSIGNMENT,
3 MERGER, CONSOLIDATION, COMBINATION, JOINT VENTURE, REDEMPTION, OR
4 OPERATION OF LAW.

5 (B) ALL OR PART OF THE BUSINESS OPERATIONS OF THE MANUFACTURER
6 ARE TERMINATED OR SUSPENDED OR CEASE.

7 (C) THE MANUFACTURER DISCONTINUES A LINE MAKE.

8 (4) ~~(6)~~ This section ~~shall~~ DOES not relieve a new motor
9 vehicle dealer, lessor, or other owner of an established place of
10 business from the obligation of mitigating damages.

11 Sec. 12. (1) ~~Compensation~~ **A MANUFACTURER SHALL PAY THE**
12 **COMPENSATION** for new motor vehicle inventory ~~under section 11(1)(a)~~
13 ~~shall be paid, if possible, within 30 days after the effective date~~
14 ~~of the termination, cancellation, nonrenewal, or discontinuance,~~
15 ~~provided that the new motor vehicle dealer has met all reasonable~~
16 ~~requirements of the dealer agreement with respect to the return of~~
17 ~~the new motor vehicle inventory. Compensation for~~ **AND** items of
18 personal property required ~~by~~ **UNDER** section 11(1)(b), 11(1)(c), and
19 ~~11(1)(d) shall be paid~~ **11(1)** within ~~90~~ **60** days after the effective
20 date of the termination, cancellation, nonrenewal, or
21 discontinuance, provided that the new motor vehicle dealer has met
22 all reasonable requirements of the dealer agreement with respect to
23 the return of the **NEW MOTOR VEHICLE INVENTORY AND** repurchased
24 personal property, including providing clear title **TO THE**
25 **REPURCHASED PERSONAL PROPERTY.**

26 (2) **ALL OF THE FOLLOWING APPLY IN DETERMINING THE AMOUNT OF**
27 **FAIR AND REASONABLE COMPENSATION UNDER SECTION 11(1):**

1 (A) Fair and reasonable compensation ~~pursuant to~~ **UNDER** section
2 11(1)(a) shall be not less than the new motor vehicle dealer's net
3 acquisition cost.

4 (B) Fair and reasonable compensation ~~pursuant to~~ **FOR SUPPLIES**
5 **AND PARTS INVENTORY FOR PURPOSES OF** section 11(1)(b) ~~shall be~~ **IS**
6 the amount stated in the manufacturer's ~~or distributor's~~ current
7 parts price list.

8 (C) Fair and reasonable compensation ~~pursuant to~~ **FOR PURPOSES**
9 **OF** section 11(1)(c), ~~and 11(1)(d) shall be~~ **(D), AND (E) IS** the fair
10 market value of the personal property **DESCRIBED IN THOSE**
11 **SUBDIVISIONS.**

12 (3) **ALL OF THE FOLLOWING APPLY TO THE DETERMINATION OF FAIR**
13 **RENTAL VALUE OF A NEW MOTOR VEHICLE DEALER'S ESTABLISHED PLACE OF**
14 **BUSINESS UNDER SECTION 11(2):**

15 (A) **THE MANUFACTURER AND DEALER SHALL MAKE A GOOD FAITH EFFORT**
16 **TO AGREE TO THE FAIR RENTAL VALUE OF THE PREMISES, TAKING INTO**
17 **CONSIDERATION THE ADEQUACY AND DESIRABILITY OF THE PREMISES FOR**
18 **DEALERSHIP OPERATIONS AND THE FAIR MARKET VALUE OF THE PREMISES.**

19 (B) **IF THE MANUFACTURER AND THE NEW MOTOR VEHICLE DEALER AGREE**
20 **ON THE FAIR RENTAL VALUE WITHIN 30 DAYS AFTER THE EFFECTIVE DATE OF**
21 **THE TERMINATION, CANCELLATION, NONRENEWAL, OR DISCONTINUANCE OF THE**
22 **DEALER AGREEMENT, THAT VALUATION IS CONCLUSIVE AND BINDING ON THE**
23 **MANUFACTURER AND THE NEW MOTOR VEHICLE DEALER.**

24 (C) **IF THE MANUFACTURER AND DEALER CANNOT AGREE TO THE FAIR**
25 **RENTAL VALUE OF THE PREMISES UNDER SUBDIVISION (A) WITHIN 30 DAYS**
26 **AFTER THE EFFECTIVE DATE OF THE TERMINATION, CANCELLATION,**
27 **NONRENEWAL, OR DISCONTINUANCE OF THE DEALER AGREEMENT, THE FAIR**

1 RENTAL VALUE OF THE PREMISES SHALL BE DETERMINED BY 3 QUALIFIED
2 REAL ESTATE APPRAISERS. ALL OF THE FOLLOWING APPLY TO THE
3 DETERMINATION OF FAIR RENTAL VALUE UNDER THIS SUBDIVISION:

4 (i) THE DEALER AND MANUFACTURER SHALL EACH SELECT A QUALIFIED
5 REAL ESTATE APPRAISER WITHIN 60 DAYS AFTER THE EFFECTIVE DATE OF
6 THE TERMINATION, CANCELLATION, NONRENEWAL, OR DISCONTINUANCE OF THE
7 DEALER AGREEMENT, AND THOSE APPRAISERS SHALL SELECT A THIRD
8 QUALIFIED REAL ESTATE APPRAISER.

9 (ii) WITHIN 150 DAYS AFTER THE EFFECTIVE DATE OF THE
10 TERMINATION, CANCELLATION, NONRENEWAL, OR DISCONTINUANCE OF THE
11 DEALER AGREEMENT, EACH OF THE 3 APPRAISERS SELECTED UNDER
12 SUBPARAGRAPH (i) SHALL COMPLETE AN APPRAISAL OF THE FAIR RENTAL
13 VALUE OF THE PREMISES, AND THE MEDIAN APPRAISAL SHALL BE THE FAIR
14 RENTAL VALUE OF THE PREMISES FOR PURPOSES OF THIS SUBSECTION.

15 (iii) THE MANUFACTURER AND THE DEALER ARE EACH RESPONSIBLE FOR
16 50% OF THE COSTS OF THE APPRAISALS UNDER THIS SUBDIVISION.

17 (4) ALL OF THE FOLLOWING APPLY IN DETERMINING THE FAIR AND
18 REASONABLE COMPENSATION FOR A NEW MOTOR VEHICLE DEALER'S GOODWILL
19 UNDER SECTION 11(3):

20 (A) IF A SUCCESSOR MANUFACTURER OFFERS A DEALER AGREEMENT TO A
21 DEALER WHOSE DEALER AGREEMENT WITH THE MANUFACTURER IS TERMINATED,
22 CANCELED, NOT RENEWED, OR DISCONTINUED AND THE TERMS OF THE
23 PROPOSED DEALER AGREEMENT ARE SUBSTANTIALLY SIMILAR TO THE TERMS
24 OFFERED BY THE SUCCESSOR MANUFACTURER TO OTHER NEW MOTOR VEHICLE
25 DEALERS OF THE SAME LINE MAKE, THE MANUFACTURER THAT TERMINATED,
26 CANCELED, DID NOT RENEW, OR DISCONTINUED THE DEALER AGREEMENT IS
27 NOT REQUIRED TO PAY ANY COMPENSATION UNDER SECTION 11(3) FOR THE

1 DEALER'S GOODWILL.

2 (B) IF SUBDIVISION (A) DOES NOT APPLY, THE MANUFACTURER AND
3 DEALER SHALL MAKE A GOOD FAITH EFFORT TO AGREE TO FAIR AND
4 REASONABLE COMPENSATION FOR THE DEALER'S GOODWILL, BASED ON THE
5 FAIR MARKET VALUE OF THAT GOODWILL ON THE DAY BEFORE THE
6 TERMINATION, CANCELLATION, NONRENEWAL, OR DISCONTINUANCE OF THE
7 DEALER AGREEMENT.

8 (C) IF THE MANUFACTURER AND THE NEW MOTOR VEHICLE DEALER AGREE
9 ON FAIR AND REASONABLE COMPENSATION WITHIN 30 DAYS AFTER THE
10 EFFECTIVE DATE OF THE TERMINATION, CANCELLATION, NONRENEWAL, OR
11 DISCONTINUANCE OF THE DEALER AGREEMENT, THAT AGREEMENT IS
12 CONCLUSIVE AND BINDING ON THE MANUFACTURER AND THE NEW MOTOR
13 VEHICLE DEALER.

14 (D) IF THE MANUFACTURER AND DEALER CANNOT AGREE TO FAIR AND
15 REASONABLE COMPENSATION FOR THE DEALER'S GOODWILL UNDER SUBDIVISION
16 (B) WITHIN 30 DAYS AFTER THE EFFECTIVE DATE OF THE TERMINATION,
17 CANCELLATION, NONRENEWAL, OR DISCONTINUANCE OF THE DEALER
18 AGREEMENT, THE AMOUNT OF FAIR AND REASONABLE COMPENSATION FOR THE
19 DEALER'S GOODWILL SHALL BE DETERMINED BY 3 QUALIFIED APPRAISERS.
20 ALL OF THE FOLLOWING APPLY TO THE DETERMINATION OF FAIR AND
21 REASONABLE COMPENSATION UNDER THIS SUBDIVISION:

22 (i) THE DEALER AND MANUFACTURER SHALL EACH SELECT A QUALIFIED
23 APPRAISER WITHIN 60 DAYS AFTER THE EFFECTIVE DATE OF THE
24 TERMINATION, CANCELLATION, NONRENEWAL, OR DISCONTINUANCE OF THE
25 DEALER AGREEMENT, AND THOSE APPRAISERS SHALL SELECT A THIRD
26 QUALIFIED APPRAISER.

27 (ii) WITHIN 150 DAYS AFTER THE EFFECTIVE DATE OF THE

1 TERMINATION, CANCELLATION, NONRENEWAL, OR DISCONTINUANCE OF THE
2 DEALER AGREEMENT, EACH OF THE 3 APPRAISERS SELECTED UNDER
3 SUBPARAGRAPH (i) SHALL COMPLETE AN APPRAISAL OF THE FAIR MARKET
4 VALUE OF THE DEALER'S GOODWILL ON THE DAY BEFORE THE TERMINATION,
5 CANCELLATION, NONRENEWAL, OR DISCONTINUANCE OF THE DEALER
6 AGREEMENT, AND THE MEDIAN APPRAISAL OF THAT FAIR MARKET VALUE SHALL
7 BE THE FAIR AND REASONABLE COMPENSATION FOR THE GOODWILL FOR
8 PURPOSES OF THIS SUBSECTION.

9 (iii) THE MANUFACTURER AND THE DEALER ARE EACH RESPONSIBLE FOR
10 50% OF THE COSTS OF THE APPRAISALS UNDER THIS SUBDIVISION.

11 (5) ~~(3) In the event IF A payment REQUIRED UNDER SUBSECTION~~
12 ~~(1) is not made within 90 days as provided in subsection (1) THE 60-~~
13 ~~DAY PERIOD DESCRIBED IN THAT SUBSECTION, THEN BEGINNING ON THE DAY~~
14 ~~AFTER THE EXPIRATION OF THAT 60-DAY PERIOD, interest shall accrue~~
15 ~~thereafter on all amounts due the new motor vehicle dealer at a~~
16 ~~rate of 12%-6% per annum.~~

17 (6) AS USED IN THIS SECTION:

18 (A) "QUALIFIED APPRAISER" MEANS AN INDEPENDENT INDIVIDUAL WHO
19 IS QUALIFIED BY EXPERIENCE AND ABILITY TO VALUE THE GOODWILL OF A
20 BUSINESS.

21 (B) "QUALIFIED REAL ESTATE APPRAISER" MEANS A CERTIFIED
22 GENERAL REAL ESTATE APPRAISER OR A STATE LICENSED REAL ESTATE
23 APPRAISER, AS THOSE TERMS ARE DEFINED IN SECTION 2601 OF THE
24 OCCUPATIONAL CODE, 1980 PA 299, MCL 339.2601.

25 Sec. 13. A manufacturer, ~~importer, or distributor~~ shall not
26 require any new motor vehicle dealer in this state to do any of the
27 following:

1 (a) Order ~~or~~ accept delivery of any new motor vehicle, ~~or~~ **A**
2 part or accessory of a new motor vehicle, equipment, or any other
3 commodity not required by law ~~which was~~ **THAT IS** not voluntarily
4 ordered by the new motor vehicle dealer. This section does not
5 prevent the manufacturer ~~or distributor~~ from requiring that new
6 motor vehicle dealers carry a reasonable inventory of models
7 offered for sale by the manufacturer. ~~or distributor.~~

8 (b) Order or accept delivery of any new motor vehicle with
9 special features, accessories, or equipment not included in the
10 list price of the new motor vehicle as publicly advertised by the
11 manufacturer. ~~or distributor.~~

12 (c) Participate monetarily in any advertising campaign or
13 contest, ~~or~~ purchase any promotional materials, display devices, or
14 display decorations or materials, or pay or assume directly in
15 connection with the sale of a new motor vehicle any part of the
16 cost of a refund, rebate, or discount made by or lawfully imposed
17 by the manufacturer ~~or distributor~~ to or in favor of a consumer,
18 unless voluntarily agreed to by the dealer.

19 (d) Enter into any agreement with the manufacturer ~~or~~
20 ~~distributor~~ or do any other act prejudicial to the new motor
21 vehicle dealer by threatening to terminate a dealer agreement or
22 any contractual agreement or understanding existing between the
23 dealer and the manufacturer. ~~or distributor.~~ Notice in good faith
24 to any dealer of the dealer's violation of any terms or provisions
25 of the dealer agreement ~~shall~~ **DOES** not constitute a violation of
26 this act.

27 (e) Change the capital structure of the new motor vehicle

1 dealership or the means by or through which the dealer finances the
2 operation of the dealership, if the dealership at all times meets
3 any reasonable capital standards determined by the manufacturer in
4 accordance with uniformly applied criteria.

5 (f) Refrain from participation in the management of,
6 investment in, or the acquisition of, any other line of new motor
7 ~~vehicle~~ **VEHICLES** or related products **AT OR IN ANY OF THE FOLLOWING:**

8 (i) **AT A LOCATION DIFFERENT FROM THE LOCATION USED BY THE**
9 **DEALER FOR THE SALE OR SERVICE OF NEW MOTOR VEHICLES OR RELATED**
10 **PRODUCTS OF THE MANUFACTURER, ~~provided that~~ IF** the dealer maintains
11 a reasonable line of credit for each make or line of vehicle,
12 remains in compliance with reasonable facilities requirements,
13 **REMAINS IN SUBSTANTIAL COMPLIANCE WITH CAPITAL REQUIREMENTS,** and
14 makes no change in the principal management of the dealer.

15 (ii) **IN FACILITIES AT THE SAME LOCATION AS, BUT SEPARATED FROM,**
16 **THE FACILITIES USED BY THE DEALER FOR THE SALE OR SERVICE OF NEW**
17 **MOTOR VEHICLES OR RELATED PRODUCTS OF THE MANUFACTURER, IF THE**
18 **DEALER MAINTAINS A REASONABLE LINE OF CREDIT FOR EACH MAKE OR LINE**
19 **OF VEHICLE, REMAINS IN COMPLIANCE WITH MINIMUM SPACE REQUIREMENTS**
20 **AND REASONABLE FACILITIES REQUIREMENTS, REMAINS IN SUBSTANTIAL**
21 **COMPLIANCE WITH CAPITAL REQUIREMENTS, AND DOES NOT MAKE A CHANGE IN**
22 **THE PRINCIPAL MANAGEMENT OF THE DEALER.**

23 (iii) **UNLESS THE MANUFACTURER OTHERWISE OBJECTS BASED ON OTHER**
24 **REASONABLE BUSINESS CONSIDERATIONS, IN THE SAME FACILITIES USED BY**
25 **THE DEALER FOR THE SALE OR SERVICE OF NEW MOTOR VEHICLES OR RELATED**
26 **PRODUCTS OF THE MANUFACTURER, IF THE DEALER MAINTAINS A REASONABLE**
27 **LINE OF CREDIT FOR EACH MAKE OR LINE OF VEHICLE, REMAINS IN**

1 COMPLIANCE WITH REASONABLE FACILITIES REQUIREMENTS, REMAINS IN
 2 SUBSTANTIAL COMPLIANCE WITH CAPITAL REQUIREMENTS, AND DOES NOT MAKE
 3 A CHANGE IN THE PRINCIPAL MANAGEMENT OF THE DEALER. THE
 4 MANUFACTURER HAS THE BURDEN OF PROVING REASONABLE BUSINESS
 5 CONSIDERATIONS FOR PURPOSES OF THIS SUBPARAGRAPH.

6 (g) Change the location of the new motor vehicle dealership or
 7 make any substantial alterations to the dealership premises, ~~where~~
 8 ~~to do so would be~~ **IF CHANGING THE LOCATION OR MAKING THE**
 9 **ALTERATIONS IS** unreasonable.

10 (h) Prospectively assent to a release, assignment, novation,
 11 waiver, or estoppel ~~which~~ **THAT** would relieve any person from
 12 liability imposed by this act; require that any dealer agreement be
 13 governed by the laws of a state other than this state; or require
 14 **REFERRAL OF** any controversy between a new motor vehicle dealer and
 15 a manufacturer ~~, importer, or distributor to be referred to a~~
 16 person other than the duly constituted courts of this state, or of
 17 the United States located in this state, if the referral would be
 18 binding ~~upon~~ **ON** the new motor vehicle dealer. ~~unless the parties~~
 19 ~~agree~~ **THIS SUBDIVISION DOES NOT APPLY TO AN AGREEMENT BETWEEN THE**
 20 **PARTIES, MADE** at the time of a controversy, to refer ~~a~~ **THE**
 21 controversy to a court of the United States located outside this
 22 state or agree at the time of ~~the~~ **AN** arbitration to conduct **THE**
 23 arbitration either ~~within~~ **IN** or outside **OF** this state. ~~Such a~~ **A**
 24 provision in a dealer agreement **THAT VIOLATES THIS SUBDIVISION** is
 25 void and unenforceable.

26 Sec. 14. (1) A manufacturer ~~, importer, or distributor~~ shall
 27 not do any of the following:

(a) Adopt, change, establish, or implement a plan or system for the allocation and distribution of new motor vehicles to new motor vehicle dealers that is arbitrary or capricious **OR BASED ON UNREASONABLE SALES AND SERVICE STANDARDS**, or modify an existing plan or system that causes the plan or system to be arbitrary or capricious **OR BASED ON UNREASONABLE SALES AND SERVICE STANDARDS**.

(b) ~~Fail~~ **IF REQUESTED IN WRITING BY A NEW MOTOR VEHICLE DEALER, FAIL** or refuse to advise or disclose to ~~any new motor vehicle dealer having a dealer agreement, upon written request~~ **therefore, THE DEALER** the basis ~~upon~~ **ON** which new motor vehicles of the same line make are allocated or distributed to new motor vehicle dealers in the state and the basis ~~upon~~ **ON** which the current allocation or distribution is being made or will be made to that new motor vehicle dealer.

(c) Refuse to deliver **TO A NEW MOTOR VEHICLE DEALER** in reasonable quantities and within a reasonable time after receipt of ~~a~~ **THE** dealer's order, ~~to any new motor vehicle dealer having a dealer agreement for the retail sale of new motor vehicles sold or distributed by a manufacturer or distributor any such~~ **NEW** motor vehicles ~~as~~ **THAT** are covered by ~~such~~ **THE** dealer agreement **AND** specifically publicly advertised in the state by the manufacturer ~~or distributor to be~~ **AS** available for immediate delivery. However, the failure to deliver any motor vehicle ~~shall not be~~ **IS NOT** considered a violation of this act if the failure is due to an act of God, a work stoppage or delay due to a strike or labor difficulty, a shortage of materials, a lack of manufacturing capacity, a freight embargo, or other cause over which the

1 manufacturer ~~or distributor~~ has no control. If ~~the~~ **A** manufacturer
 2 ~~or distributor~~ requires a new motor vehicle dealer to purchase
 3 essential service tools with a purchase price in the aggregate of
 4 more than \$7,500.00 in order to receive a specific model **OF**
 5 vehicle, the manufacturer ~~or distributor~~ shall ~~upon~~ **ON** written
 6 request provide the dealer with a good faith estimate in writing of
 7 the number of vehicles of that specific model the dealer will be
 8 allocated ~~during that~~ **IN THE** model year in which **THE DEALER IS**
 9 **REQUIRED TO PURCHASE** the tool. ~~is required to be purchased.~~

10 (d) Increase ~~prices of~~ **THE PRICE OF A** new motor vehicles which
 11 **VEHICLE THAT** the new motor vehicle dealer had ordered, and then
 12 eventually delivered to, the same retail consumer for whom the
 13 vehicle was ordered, if the order was made ~~prior to~~ **BEFORE** the
 14 dealer's receipt of ~~the~~ **A** written official price increase
 15 notification. A sales contract signed by a private retail consumer
 16 and binding on the dealer ~~shall constitute~~ **CONSTITUTES** evidence of
 17 ~~each~~ **A VEHICLE** order. In the event of manufacturer ~~or distributor~~
 18 price reductions or cash rebates, the **DEALER SHALL PASS ON THE**
 19 amount of any reduction or rebate received by a ~~THE~~ dealer ~~shall be~~
 20 ~~passed on to~~ the private retail consumer. ~~by the dealer.~~ Any price
 21 reduction in excess of \$5.00 shall apply to all vehicles in the
 22 dealer's inventory ~~which~~ **THAT** were subject to the price reduction.
 23 A price difference applicable to new model or series motor vehicles
 24 at the time of the introduction of the new models or the series
 25 ~~shall not be~~ **IS NOT** considered a price increase or price decrease.
 26 This subdivision ~~shall~~ **DOES** not apply to price changes caused by
 27 any of the following:

1 (i) The addition to a motor vehicle of required or optional
2 equipment pursuant to state or federal law.

3 (ii) In the case of foreign made vehicles or components,
4 revaluation of the United States dollar.

5 (iii) Any increase in transportation charges due to an increase
6 in rates charged by a common carrier ~~and transporters~~ **OR**
7 **TRANSPORTER.**

8 (e) Offer any ~~refunds or other types of inducements~~ **OF THE**
9 **FOLLOWING** to any ~~dealer for the purchase of new motor vehicles of a~~
10 ~~certain~~ **NEW MOTOR VEHICLE DEALER OF A SPECIFIC** line make ~~to be sold~~
11 ~~to this state or any political subdivision of this state without~~
12 making the same offer available ~~upon request~~ to all other new motor
13 vehicle dealers of the same line make: -

14 (i) **ANY SPECIFIC MODEL OR SERIES OF NEW MOTOR VEHICLES**
15 **MANUFACTURED FOR THAT LINE MAKE.**

16 (ii) **ANY INCENTIVES, REBATES, BONUSES, PROMOTIONAL ITEMS, OR**
17 **OTHER SIMILAR BENEFITS PAYABLE TO THE NEW MOTOR VEHICLE DEALER FOR**
18 **SELLING NEW MOTOR VEHICLES OR PURCHASING NEW MOTOR VEHICLES FROM**
19 **THE MANUFACTURER.**

20 (iii) **ANY CONSUMER REBATES, VEHICLE PRICE REDUCTIONS, OR**
21 **INTEREST RATE REDUCTIONS OR OTHER CHANGES TO FINANCE TERMS THAT**
22 **BENEFIT THE CONSUMER.**

23 (iv) **ANY PROGRAM THAT PROVIDES MARKETING AND SALES ASSISTANCE**
24 **TO NEW MOTOR VEHICLE DEALERS, INCLUDING, BUT NOT LIMITED TO,**
25 **INTERNET LISTINGS, SALES LEADS, MARKETING PROGRAMS, AND DEALER**
26 **RECOGNITION PROGRAMS.**

27 (f) Release to an outside party, except under subpoena or in

1 an administrative or judicial proceeding to which the new motor
2 vehicle dealer or the manufacturer ~~or distributor~~ are parties, any
3 business, financial, or personal information ~~which~~ **THAT** has been
4 provided by the dealer to the manufacturer, ~~or distributor~~, unless
5 the new motor vehicle dealer gives ~~his or her~~ written consent.

6 (g) Deny a new motor vehicle dealer the right to associate
7 with another new motor vehicle dealer for any lawful purpose.

8 (h) Directly or indirectly own, operate, or control a new
9 motor vehicle dealer, including, but not limited to, a new motor
10 vehicle dealer engaged primarily in performing warranty repair
11 services on motor vehicles pursuant to the manufacturer's warranty,
12 **OR A USED MOTOR VEHICLE DEALER**. This subdivision does not apply to
13 any of the following:

14 (i) The ownership, operation, or control by a manufacturer ~~or~~
15 ~~distributor~~ of a new motor vehicle dealer for a period of not more
16 than 24 months during the transition from 1 owner or operator to
17 another. The circuit court may extend the 24-month time period for
18 an additional 12 months upon receipt of an application from a
19 manufacturer ~~or distributor~~ and a showing of good cause.

20 (ii) The ownership, operation, or control of a new motor
21 vehicle dealer **OR A USED MOTOR VEHICLE DEALER** by a manufacturer ~~or~~
22 ~~distributor~~ while it is being sold under a bona fide contract or
23 purchase option to the operator of the new motor vehicle dealer **OR**
24 **THE USED MOTOR VEHICLE DEALER**.

25 (iii) The direct or indirect ownership by a manufacturer of an
26 entity that owns, operates, or controls a new motor vehicle dealer
27 of the same line make franchised by the manufacturer, if all of the

1 following conditions are met:

2 (A) As of May 1, 2000, the manufacturer for a period of not
3 less than 12 months has continuously owned, directly or indirectly,
4 1 or more new motor vehicle dealers in this state.

5 (B) All of the new motor vehicle dealers selling the
6 manufacturer's motor vehicles in this state trade exclusively in
7 the manufacturer's line make.

8 (C) As of January 1, 2000, not fewer than 1/2 of the new motor
9 vehicle dealers of the line make within this state own and operate
10 2 or more new motor vehicle dealer facilities in the geographic
11 territory or area covered by the franchise agreement with the
12 manufacturer.

13 (D) For a manufacturer or any entity in which the manufacturer
14 has more than a 45% ownership interest, the manufacturer or entity
15 has not acquired, operated, or controlled a new motor vehicle
16 dealer that the manufacturer did not directly or indirectly own as
17 of May 1, 2000.

18 **(iv) THE ACQUISITION BY A MANUFACTURER OF A USED MOTOR VEHICLE**
19 **DEALER'S LICENSE FOR THE PURPOSE OF SELLING MOTOR VEHICLES TO**
20 **NONRETAIL BUYERS.**

21 (i) Sell any new motor vehicle directly to a retail customer
22 other than through its franchised dealers, unless the retail
23 customer is a nonprofit organization or a federal, state, or local
24 government or agency. This subdivision does not prohibit a
25 manufacturer from providing information to a consumer for the
26 purpose of marketing or facilitating the sale of new motor vehicles
27 or from establishing a program to sell or offer to sell new motor

1 vehicles through the manufacturer's new motor vehicle dealers.

2 (j) Prevent or attempt to prevent by contract or otherwise any
 3 new motor vehicle dealer from changing the executive management of
 4 a new motor vehicle dealer unless the manufacturer, ~~or distributor,~~
 5 having the burden of proof, can show that the change of executive
 6 management will result in executive management by a person or
 7 persons who are not of good moral character or who do not meet
 8 reasonable, preexisting, and equitably applied standards of the
 9 manufacturer. ~~or distributor.~~ If a manufacturer ~~or distributor~~
 10 rejects a proposed change in the executive management, the
 11 manufacturer ~~or distributor~~ shall give written notice of its
 12 reasons to the dealer within 60 days after receiving written notice
 13 from the dealer of the proposed change and all related information
 14 reasonably requested by the manufacturer, ~~or distributor,~~ or the
 15 change in executive management ~~shall be~~ **IS** considered approved.

16 (k) Unreasonably withhold consent to the sale, transfer, or
 17 exchange of ~~the~~ **A NEW MOTOR VEHICLE** dealership to a qualified buyer
 18 **THAT IS** capable of being licensed as a new motor vehicle dealer in
 19 this state.

20 (l) Fail to respond in writing to a request for consent to a
 21 sale, transfer, or exchange of a **NEW MOTOR VEHICLE** dealership
 22 within 60 days after ~~receipt of~~ **RECEIVING** a written application
 23 from the new motor vehicle dealer on the forms generally utilized
 24 by the manufacturer ~~or distributor~~ for ~~such~~ **THAT** purpose and
 25 containing the information required ~~therein~~ **IN THAT APPLICATION**.
 26 Failure to respond to ~~the~~ **A** request **FOR CONSENT** within the ~~60 days~~
 27 ~~shall be~~ **60-DAY PERIOD IS** considered consent **TO THE SALE, TRANSFER,**

1 OR EXCHANGE.

2 (m) Unfairly prevent a new motor vehicle dealer **THAT SELLS,**
3 **TRANSFERS, OR EXCHANGES A NEW MOTOR VEHICLE DEALERSHIP** from
4 receiving reasonable compensation for the value of the new motor
5 vehicle dealership.

6 (N) UNLESS THE MANUFACTURER ENTERS INTO A WRITTEN AGREEMENT
7 WITH THE NEW MOTOR VEHICLE DEALER THAT CLEARLY STATES THE AMOUNT OF
8 THE INCENTIVE PAYMENTS AND THE PERIOD OF TIME DURING WHICH THE
9 INCENTIVE PAYMENTS ARE PAID, OFFER INCENTIVE PAYMENTS TO A NEW
10 MOTOR VEHICLE DEALER IN CONSIDERATION FOR A NEW MOTOR VEHICLE
11 DEALER'S PROMISE TO DO ANY OF THE FOLLOWING:

12 (i) MAKE MATERIAL ALTERATIONS TO ANY FACILITIES AT THE DEALER'S
13 PLACE OF BUSINESS.

14 (ii) CONSTRUCT NEW FACILITIES FOR THE CONDUCT OF THE BUSINESS
15 OF THE DEALERSHIP.

16 (O) REQUIRE UNREASONABLE IMPROVEMENTS TO A FACILITY AS A
17 CONDITION TO ENTERING INTO OR RENEWING A DEALER AGREEMENT.

18 (P) AUTHORIZE A MOTOR VEHICLE SERVICE AND REPAIR FACILITY TO
19 PERFORM MOTOR VEHICLE WARRANTY REPAIRS AND RECALL WORK, UNLESS THE
20 WORK MEETS ANY OF THE FOLLOWING:

21 (i) IS REQUIRED FOR EMERGENCY SERVICE OF A VEHICLE.

22 (ii) IS WORK PERFORMED AT A SERVICE CENTER OWNED OR OPERATED BY
23 A MANUFACTURER ON MANUFACTURER-OWNED VEHICLE.

24 (iii) IS WORK PERFORMED BY EMPLOYEES OF A FLEET OPERATOR ON ITS
25 OWN VEHICLES.

26 (Q) OWN A MOTOR VEHICLE SERVICE AND REPAIR FACILITY, EXCEPT
27 THAT A MANUFACTURER MAY OWN A SERVICE AND REPAIR FACILITY FOR THE

1 REPAIR OF MANUFACTURER-OWNED VEHICLES.

2 (R) ENGAGE IN CONDUCT THAT MEETS ALL OF THE FOLLOWING:

3 (i) MATERIALLY AFFECTS A NEW MOTOR VEHICLE DEALER.

4 (ii) IS CAPRICIOUS, IS NOT IN GOOD FAITH, OR IS UNCONSCIONABLE.

5 (iii) CAUSES DAMAGE TO A NEW MOTOR VEHICLE DEALER.

6 (S) IMPOSE UNREASONABLE STANDARDS OF PERFORMANCE ON A NEW
7 MOTOR VEHICLE DEALER OR REQUIRE, ATTEMPT TO REQUIRE, COERCE, OR
8 ATTEMPT TO COERCE A NEW MOTOR VEHICLE DEALER TO ADHERE TO
9 PERFORMANCE STANDARDS THAT ARE NOT APPLIED UNIFORMLY TO OTHER
10 SIMILARLY SITUATED NEW MOTOR VEHICLE DEALERS.

11 (T) USE OR CONSIDER THE PERFORMANCE OF A NEW MOTOR VEHICLE
12 DEALER IN SELLING THE MANUFACTURER'S VEHICLES OR THE NEW MOTOR
13 VEHICLE DEALER'S ABILITY TO SATISFY ANY MINIMUM SALES OR MARKET
14 SHARE QUOTA OR RESPONSIBILITY RELATING TO THE SALE OF THE NEW MOTOR
15 VEHICLES IN DETERMINING ANY OF THE FOLLOWING:

16 (i) THE NEW MOTOR VEHICLE DEALER'S ELIGIBILITY TO PURCHASE
17 PROGRAM, CERTIFIED, OR OTHER USED MOTOR VEHICLES FROM THE
18 MANUFACTURER.

19 (ii) THE VOLUME, TYPE, OR MODEL OF PROGRAM, CERTIFIED, OR OTHER
20 USED MOTOR VEHICLES THAT A NEW MOTOR VEHICLE DEALER IS ELIGIBLE TO
21 PURCHASE FROM THE MANUFACTURER.

22 (iii) THE PRICE OF ANY PROGRAM, CERTIFIED, OR OTHER USED MOTOR
23 VEHICLE THAT THE NEW MOTOR VEHICLE DEALER PURCHASES FROM THE
24 MANUFACTURER.

25 (iv) THE AVAILABILITY OR AMOUNT OF ANY DISCOUNT, CREDIT,
26 REBATE, OR SALES INCENTIVE THAT THE NEW MOTOR VEHICLE DEALER IS
27 ELIGIBLE TO RECEIVE FROM THE MANUFACTURER IN CONNECTION WITH ANY

1 PROGRAM, CERTIFIED, OR OTHER USED MOTOR VEHICLE OFFERED FOR SALE BY
2 THE MANUFACTURER.

3 (U) REQUIRE THAT A NEW MOTOR VEHICLE DEALER PROVIDE ITS
4 CUSTOMER LISTS OR SERVICE FILES TO THE MANUFACTURER, UNLESS
5 NECESSARY FOR THE SALE AND DELIVERY OF A NEW MOTOR VEHICLE TO A
6 CONSUMER, TO VALIDATE AND PAY CONSUMER OR DEALER INCENTIVES, OR IN
7 CONNECTION WITH THE SUBMISSION OF A CLAIM TO THE MANUFACTURER FOR
8 SERVICES SUPPLIED BY THE NEW MOTOR VEHICLE DEALER FOR ANY CLAIM FOR
9 WARRANTY REPAIRS. THIS SECTION DOES NOT LIMIT A MANUFACTURER'S
10 AUTHORITY TO REQUIRE OR USE CUSTOMER INFORMATION TO SATISFY ANY
11 SAFETY OR RECALL OBLIGATION.

12 (V) ESTABLISH A PERFORMANCE STANDARD OR PROGRAM FOR MEASURING
13 NEW MOTOR VEHICLE DEALER PERFORMANCE THAT MAY HAVE A MATERIAL
14 IMPACT ON A NEW MOTOR VEHICLE DEALER THAT IS NOT FAIR, REASONABLE,
15 AND EQUITABLE. FOR PURPOSES OF THIS SUBDIVISION, ALL OF THE
16 FOLLOWING APPLY IF A MANUFACTURER DOES NOT PROVIDE A COMPLETE
17 PROGRAM DESCRIPTION EXPLAINING THE PERFORMANCE STANDARD OR PROGRAM
18 DETAILS TO A NEW MOTOR VEHICLE DEALER ON OR BEFORE THE BEGINNING OF
19 THE PROGRAM:

20 (i) WITHIN 10 DAYS AFTER RECEIVING A REQUEST FROM THE NEW MOTOR
21 VEHICLE DEALER, THE MANUFACTURER SHALL PROVIDE THE NEW MOTOR
22 VEHICLE DEALER WITH A WRITTEN DESCRIPTION OF HOW A PERFORMANCE
23 STANDARD OR PROGRAM IS DESIGNED.

24 (ii) WITHIN 30 DAYS AFTER RECEIVING A REQUEST FROM THE NEW
25 MOTOR VEHICLE DEALER, THE MANUFACTURER SHALL PROVIDE INFORMATION
26 RELATING TO HOW THE PERFORMANCE STANDARD OR PROGRAM APPLIES TO THE
27 NEW MOTOR VEHICLE DEALER.

1 (W) IF A NEW MOTOR VEHICLE DEALER SOLD OR LEASED A NEW MOTOR
2 VEHICLE TO A CUSTOMER THAT EXPORTED THE MOTOR VEHICLE TO A FOREIGN
3 COUNTRY OR RESOLD THE MOTOR VEHICLE, REFUSE TO ALLOCATE, SELL, OR
4 DELIVER NEW MOTOR VEHICLES TO THE DEALER; CHARGE BACK OR WITHHOLD
5 PAYMENTS OR OTHER THINGS OF VALUE FOR WHICH THE DEALER IS OTHERWISE
6 ELIGIBLE UNDER A SALES PROMOTION, PROGRAM, OR CONTEST; PREVENT A
7 NEW MOTOR VEHICLE DEALER FROM PARTICIPATING IN ANY SALES PROMOTION,
8 PROGRAM, OR CONTEST; OR TAKE OR THREATEN TO TAKE ANY OTHER ADVERSE
9 ACTION AGAINST A NEW MOTOR VEHICLE DEALER, INCLUDING, BUT NOT
10 LIMITED TO, REDUCING VEHICLE ALLOCATIONS OR TERMINATING OR
11 THREATENING TO TERMINATE A DEALER AGREEMENT, UNLESS THE
12 MANUFACTURER PROVES THAT THE NEW MOTOR VEHICLE DEALER KNEW OR
13 REASONABLY SHOULD HAVE KNOWN THAT THE CUSTOMER INTENDED TO EXPORT
14 OR RESELL THE MOTOR VEHICLE. IN AN ACTION BY A NEW MOTOR VEHICLE
15 DEALER FOR A VIOLATION OF THIS SUBDIVISION, THERE IS A REBUTTABLE
16 PRESUMPTION THAT A NEW MOTOR VEHICLE DEALER DID NOT KNOW OR SHOULD
17 NOT REASONABLY HAVE KNOWN OF ITS CUSTOMER'S INTENT TO EXPORT OR
18 RESELL A MOTOR VEHICLE IF THE VEHICLE WAS TITLED IN THE UNITED
19 STATES, AND THE MANUFACTURER BEARS THE BURDEN OF REBUTTING THAT
20 PRESUMPTION.

21 (X) IF A NEW MOTOR VEHICLE DEALER IS A PARTY TO A DEALER
22 AGREEMENT ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED
23 THIS SUBDIVISION, AND THE DEALER AGREEMENT PROVIDES FOR SALE OF A
24 COMPETING LINE MAKE OF NEW MOTOR VEHICLES AT THE SAME PLACE OF
25 BUSINESS WHERE THE MANUFACTURER'S LINE MAKE IS SOLD, REQUIRE OR
26 OTHERWISE COERCE THE NEW MOTOR VEHICLE DEALER TO REMOVE THE SALE OR
27 SERVICING OF NEW MOTOR VEHICLES OF THAT COMPETING LINE MAKE FROM

1 **THAT PLACE OF BUSINESS.**

2 (2) A manufacturer, ~~or distributor,~~ either directly or through
3 any subsidiary, shall not terminate, cancel, fail to renew, or
4 discontinue any lease of ~~the~~ **A** new motor vehicle dealer's
5 established place of business except for a material breach of the
6 lease.

7 Enacting section 1. This amendatory act does not take effect
8 unless all of the following bills of the 95th Legislature are
9 enacted into law:

10 (a) Senate Bill No. 1308.

11 (b) Senate Bill No. 1309.

12 (c) House Bill No. 6099.