

MOTOR VEHICLE FRANCHISE ACT (EXCERPT)
Act 118 of 1981

445.1562 Definitions; C, D.

Sec. 2. (1) "Closed dealership" means a new motor vehicle dealer whose dealer agreement has been terminated, canceled, discontinued, or not renewed.

(2) "Coerce" means to compel or attempt to compel a person to act in a given manner or to refrain from acting in a given manner by pressure, intimidation, or threat of harm, damage, breach of contract, or other adverse consequences, including, but not limited to, the loss of any benefit available to other new motor vehicle dealers of the same line-make in this state. The term does not include any of the following actions by a manufacturer:

(a) Without conditions, making a good faith recommendation, exposition, or argument or persuading or attempting to persuade a person.

(b) Giving notice in good faith to a new motor vehicle dealer of that dealer's violation of the terms or provisions of a dealer agreement.

(c) Engaging in any conduct the manufacturer is permitted to engage in under this act.

(3) "Dealer agreement" means an agreement or contract in writing between a distributor and a new motor vehicle dealer, between a manufacturer and a distributor or a new motor vehicle dealer, or between an importer and a distributor or a new motor vehicle dealer, that purports to establish the legal rights and obligations of the parties to the agreement or contract and under which the dealer purchases and resells new motor vehicles and conducts service operations. The term includes the sales and service agreement, regardless of the terminology used to describe that agreement, and any addenda to the dealer agreement, including all schedules, attachments, exhibits, and agreements incorporated by reference into the dealer agreement.

(4) "Designated family member" means any of the following:

(a) If a new motor vehicle dealer who dies or becomes incapacitated has designated a successor under section 15(6), that designated successor.

(b) If a new motor vehicle owner dies and has not designated a successor under section 15(6), the spouse or a child, grandchild, parent, brother, or sister of a deceased new motor vehicle dealer, who is entitled to inherit the deceased dealer's ownership interest in the new motor vehicle dealership under the terms of the dealer's will, who has otherwise been designated in writing by a deceased dealer to succeed the deceased dealer in the new motor vehicle dealership, or who is entitled to inherit under the laws of intestate succession of this state or the appointed and qualified personal representative or testamentary trustee of the deceased new motor vehicle dealer.

(c) If a new motor vehicle dealer becomes incapacitated and has not designated a successor under section 15(6), the person appointed by the court as the legal representative of the dealer.

History: 1981, Act 118, Imd. Eff. July 19, 1981;—Am. 1983, Act 188, Imd. Eff. Nov. 1, 1983;—Am. 1998, Act 456, Imd. Eff. Dec. 30, 1998;—Am. 2010, Act 140, Imd. Eff. Aug. 4, 2010;—Am. 2018, Act 668, Eff. Mar. 28, 2019.

Compiler's note: In subsection (4)(b), the phrase "If a new motor vehicle owner dies" evidently should read "If a new motor vehicle dealer dies".