

Article - Transportation

[Previous][Next]

§15–209.

(a) A manufacturer may not terminate, cancel, or fail to renew the franchise of a dealer, notwithstanding any term or provision of the franchise, unless:

(1) The dealer has failed to comply substantially with the reasonable requirements of the franchise; and

(2) Except as otherwise provided by subsection (d) of this section, the manufacturer:

(i) Gives the dealer at least 90 days' prior written notice of the termination, cancellation, or nonrenewal and of the specific grounds for the action; and

(ii) Provides the Administration with a copy of that notice.

(b) A distributor may not terminate, cancel, or fail to renew the franchise of a dealer, notwithstanding any term or provision of the franchise, unless:

(1) The dealer has failed to comply substantially with the reasonable requirements of the franchise; and

(2) Except as otherwise provided by subsection (d) of this section, the distributor:

(i) Gives the dealer at least 90 days' prior written notice of the termination, cancellation, or nonrenewal and of the specific grounds for the action; and

(ii) Provides the Administration with a copy of that notice.

(c) A factory branch may not terminate, cancel, or fail to renew the franchise of a dealer, notwithstanding any term or provision of the franchise, unless:

(1) The dealer has failed to comply substantially with the reasonable requirements of the franchise; and

(2) Except as otherwise provided by subsection (d) of this section, the factory branch:

(i) Gives the dealer at least 90 days' prior written notice of the termination, cancellation, or nonrenewal and of the specific grounds for the action; and

(ii) Provides the Administration with a copy of that notice.

(d) The 90-day notice period required by subsection (a) of this section:

(1) May be reduced to not less than 15 days, if the ground for the termination, cancellation, or nonrenewal is the dealer's inability to reasonably serve the interests of the public; and

(2) Is not required, if the dealer waives it in writing.

(e) (1) If a dealer receives written notice that his franchise is being terminated, canceled, or not renewed, the dealer may, within the notice period required by this section, request a hearing under Title 12, Subtitle 2 of this article in which the manufacturer, distributor, or factory branch must show that the dealer has failed to comply substantially with the reasonable requirements of the franchise.

(2) If the dealer requests a hearing under this subsection, the dealer's franchise continues in effect, notwithstanding any term or provision of the franchise or any other provision of this subtitle, until the Administration, after the hearing, makes a final determination.

(3) A dealer, manufacturer, distributor, or factory branch may appeal the determination of the Administration to the circuit court for the county in which the dealer's principal place of business is located.

(4) If the dealer, manufacturer, distributor, or factory branch appeals the determination of the Administration to a circuit court, the dealer's franchise continues in effect, notwithstanding any term or provision of the franchise or any other provision of this subtitle, until the circuit court makes a final determination.

(5) A dealer, manufacturer, distributor, or factory branch may appeal from a final judgment entered by a circuit court to the Court of Special Appeals as provided in § 12-301 of the Courts and Judicial Proceedings Article.

(f) (1) In addition to any administrative and criminal sanctions imposed under this subtitle, a manufacturer, distributor, or factory branch that terminates, cancels, or fails to renew the franchise of a dealer in violation of this section shall pay to the dealer the fair value of his business as a going concern.

(2) On payment, the dealer shall convey his business, free of liens and encumbrances, to the manufacturer, distributor, or factory branch.

[Previous][Next]