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§15–211.

(a) A manufacturer, whether directly or through an agent, employee, affiliate, or representative, may not prevent, by contract or otherwise, any owner, partner, or stockholder of any dealership from transferring any ownership interest in the dealership to any other person.

(b) A distributor, whether directly or through an agent, employee, affiliate, or representative, may not prevent, by contract or otherwise, any owner, partner, or stockholder of any dealership from transferring any ownership interest in the dealership to any other person.

(c) A factory branch, whether directly or through an agent, employee, affiliate, or representative, may not prevent, by contract or otherwise, any owner, partner, or stockholder of any dealership from transferring any ownership interest in the dealership to any other person.

(d) (1) A dealer or an owner, partner, or stockholder of a dealership may not sell, assign, or otherwise transfer a franchise or any right under a franchise without the consent of the manufacturer.

(2) Notwithstanding the terms of any franchise agreement or agreement related to a franchise, a manufacturer may not exercise a right of first refusal in the event of a sale or transfer or proposed sale or transfer of a dealer's business or any equity interest in a dealer's business to a person who meets the manufacturer's reasonable qualifications for ownership and is:

(i) A member of the dealer's immediate family;

(ii) A qualified manager with at least 2 years management experience at the dealer's business;

(iii) An existing dealer in good standing; or

(iv) A business entity controlled by a person described in item (i), (ii), or (iii) of this paragraph.

(3) If a manufacturer exercises a right of first refusal in the event of a sale or transfer or proposed sale or transfer of the dealer's business or an equity interest in the dealer's business, the manufacturer shall pay the reasonable expenses, including customary attorney's fees, incurred by the prospective purchaser in negotiating and implementing the contract for the proposed sale or transfer, provided that the dealer has given the manufacturer at least 45 days' notice of an intent to sell or transfer.

(e) A manufacturer may not unreasonably withhold consent to the transfer of a

franchise under subsection (d) of this section.

(f) (1) A dealer or an owner, partner, or stockholder of a dealership may not sell, assign, or otherwise transfer a franchise or any right under a franchise without the consent of the distributor.

(2) Notwithstanding the terms of any agreement related to the franchise, a distributor may not exercise a right of first refusal in the event of a sale or transfer or proposed sale or transfer of a dealer's business or any equity interest in a dealer's business to a person who meets the distributor's reasonable qualifications for ownership and is:

(i) A member of the dealer's immediate family;

(ii) A qualified manager with at least 2 years management experience at the dealer's business;

(iii) An existing dealer in good standing; or

(iv) A business entity controlled by a person described in item (i), (ii), or (iii) of this paragraph.

(3) If a distributor exercises a right of first refusal in the event of a sale or transfer or proposed sale or transfer of the dealer's business or an equity interest in the dealer's business, the distributor shall pay the reasonable expenses, including customary attorney's fees, incurred by the prospective purchaser in negotiating and implementing the contract for the proposed sale or transfer, provided that the dealer has given the distributor at least 45 days' notice of an intent to sell or transfer.

(g) However, the distributor may not unreasonably withhold consent to the transfer of a franchise under subsection (f) of this section.

(h) (1) A dealer or an owner, partner, or stockholder of a dealership may not sell, assign, or otherwise transfer a franchise or any right under a franchise without the consent of the factory branch.

(2) Notwithstanding the terms of any agreement related to the franchise, a factory branch may not exercise a right of first refusal in the event of a sale or transfer or proposed sale or transfer of a dealer's business or any equity interest in a dealer's business to a person who meets the factory branch's reasonable qualifications for ownership and is:

(i) A member of the dealer's immediate family;

(ii) A qualified manager with at least 2 years management experience at the dealer's business;

(iii) An existing dealer in good standing; or

(iv) A business entity controlled by a person described in item (i), (ii), or (iii) of this paragraph.

(3) If a factory branch exercises a right of first refusal in the event of a sale or transfer or proposed sale or transfer of the dealer's business or an equity interest in the dealer's business, the factory branch shall pay the reasonable expenses, including customary attorney's fees, incurred by the prospective purchaser in negotiating and implementing the contract for the proposed sale or transfer, provided that the dealer has given the factory branch at least 45 days' notice of an intent to sell or transfer.

(i) However, the factory branch may not unreasonably withhold consent to the transfer of a franchise under subsection (h) of this section.

(j) A manufacturer, distributor, or factory branch may not impose a condition on the approval of the sale or transfer of the ownership of a dealership, by the sale of the business, stock transfer, or otherwise, if the condition would violate the provisions of this title if imposed on an existing dealer.

(k) (1) A manufacturer, distributor, or factory branch violates this section if, without a statement of specific grounds consistent with this title for the action, the manufacturer, distributor, or factory branch takes action to prevent or refuse to approve:

(i) The sale, assignment, or transfer of the ownership of a dealership by the sale of the business, stock transfer, or otherwise;

(ii) The sale, transfer, or assignment of a dealer franchise; or

(iii) A change in the executive management or principal operator of the dealership.

(2) (i) An existing dealer denied the sale, assignment, transfer, or change under this section may request that the Administrator conduct a hearing to review the denial or the imposition of a condition in violation of this section.

(ii) If the Administrator finds that the action leading to the denial or the imposition of a condition was in violation of this section, the Administrator may order the sale, assignment, or transfer to be approved by the manufacturer, distributor, or factory branch without imposition of the condition.

(3) (i) An applicant for approval of a sale, assignment, or transfer of ownership of a dealership or an existing dealer denied the sale, assignment, or transfer may institute an action for damages in the circuit court for the county in which the dealer's principal place of business is located, if:

1. The existing dealer does not request a hearing by the Administrator; and

2. The action taken in violation of this section to deny the sale, assignment, or transfer of ownership or the change in executive management or the condition imposed on the sale, assignment, or transfer is the proximate cause of the failure of the contract for the sale, assignment, or transfer of ownership of the dealership.

(ii) An action for damages under this section must be instituted within 2 years of the violation of this section.

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