

**SUBSTITUTE FOR
HOUSE BILL NO. 6233**

A bill to amend 1981 PA 118, entitled
"Motor vehicle franchise act,"
by amending the title and sections 3, 4, 6, and 14 (MCL 445.1563,
445.1564, 445.1566, and 445.1574), sections 3, 4, 6, and 14 as
amended by 2018 PA 668, and by adding section 14c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

1 An act to regulate motor vehicle manufacturers, distributors,
2 wholesalers, dealers, and their representatives; to regulate
3 dealings between manufacturers and distributors or wholesalers and
4 their dealers; to regulate dealings between manufacturers,
5 distributors, wholesalers, dealers, and consumers; to prohibit
6 unfair practices; **to provide for licensure of certain motor vehicle**



1 **manufacturers; to prescribe the powers and duties of certain state**
2 **agencies;** to provide remedies and penalties; and to repeal certain
3 acts and parts of acts.

4 Sec. 3. (1) "Distributor" means any person, including
5 importer, that is located in or outside of this state and is
6 engaged in the business of offering for sale, selling, or
7 distributing new and unaltered motor vehicles to a new motor
8 vehicle dealer under a dealer agreement, that maintains a factory
9 representative that is located in or outside of this state for
10 purposes of conducting that business, or that controls a person
11 that is located in or outside of this state and offers for sale,
12 sells, or distributes new and unaltered motor vehicles to a new
13 motor vehicle dealer. Distributor does not include a person that
14 alters or converts motor vehicles for sale to a new motor vehicle
15 dealer.

16 (2) **"Electric motor vehicle" means a motor vehicle that**
17 **operates entirely on electrical power, does not include a fuel**
18 **combustion engine, and has not less than 4 wheels in contact with**
19 **the ground during normal operation.**

20 (3) **"Electric motor vehicle manufacturer" means a person that**
21 **manufactures and sells electric motor vehicles and does not**
22 **manufacture or sell motor vehicles that are fully or partly powered**
23 **by a fuel combustion engine.**

24 (4) ~~(2)~~—"Established place of business" means a permanent,
25 enclosed commercial building located in this state that is easily
26 accessible and open to the public at all reasonable times and at
27 which a new motor vehicle dealer may legally conduct business,
28 including the display and repair of motor vehicles, in compliance
29 with the terms of all applicable buildings codes, zoning, and other



1 land-use regulatory ordinances.

2 (5) ~~(3)~~—"Executive manager" means any of the following:

3 (a) An individual who is employed by a new motor vehicle
4 dealer in an executive capacity and who has a written employment
5 agreement with the dealer that includes a right for the executive
6 manager to purchase a controlling interest in the dealership at a
7 future time or on the death or incapacity of the dealer.

8 (b) An individual who is designated by the new motor vehicle
9 dealer, in an addendum to the dealer agreement, as having authority
10 and responsibility to operate the dealership on a day-to-day basis.

11 (6) ~~(4)~~—"Factory branch" means an office maintained by a
12 manufacturer or distributor for the purpose of selling or offering
13 to sell vehicles to a distributor, wholesaler, or new motor vehicle
14 dealer or for directing or supervising any factory or distributor
15 representatives. The term includes any sales promotion organization
16 maintained by a manufacturer or distributor that is engaged in
17 promoting the sale of a particular make of new motor vehicles in
18 this state to new motor vehicle dealers.

19 (7) ~~(5)~~—"Factory representative" means an agent or employee of
20 a manufacturer, distributor, or factory branch retained or employed
21 for the purpose of making or promoting the sale of new motor
22 vehicles or for supervising or contracting with new motor vehicle
23 dealers or proposed motor vehicle dealers.

24 Sec. 4. (1) "Good faith" means that term as defined in section
25 1201 of the uniform commercial code, 1962 PA 174, MCL 440.1201.

26 (2) "Good moral character" means good moral character as
27 defined in and determined under 1974 PA 381, MCL 338.41 to 338.47.

28 (3) "Line-make" means a collection of models, a series, or a
29 group of motor vehicles manufactured by or for a particular



1 manufacturer, distributor, or importer that are offered for sale,
2 lease, or distribution under a common brand name or mark. All of
3 the following apply to the term "line-make":

4 (a) Multiple brand names or marks may constitute a single
5 line-make, but only if they are included in a common dealer
6 agreement and the manufacturer, distributor, or importer offers all
7 of the vehicles that bear the multiple names or marks to its
8 authorized dealers together, and not separately.

9 (b) Motor vehicles that share a common brand name or mark may
10 constitute separate line-makes if those vehicles are of different
11 vehicle types or are intended for different types of use, and
12 either of the following applies:

13 (i) The manufacturer has expressly defined or covered the
14 subject line-makes of vehicles as separate and distinct line-makes
15 in the applicable dealer agreements.

16 (ii) The manufacturer has consistently characterized the
17 subject vehicles as constituting separate and distinct line-makes
18 to its dealer network.

19 (4) "Local market conditions" means certain relevant and
20 material conditions, criteria, data, and facts, beyond the control
21 or influence of a new motor vehicle dealer, that have a material
22 impact on the new motor vehicle dealer's sales performance in the
23 assigned market area in which the new motor vehicle dealer offers
24 vehicles for sale or lease. The term may include, but is not
25 limited to, any of the following:

26 (a) Demographics in a new motor vehicle dealer's market area.

27 (b) Geographical and market characteristics in a new motor
28 vehicle dealer's market area.

29 (c) Local economic circumstances.



1 (d) The preferences of motor vehicle purchasers or lessees.

2 (e) Customer drive distance from a new motor vehicle dealer.

3 (5) "Manufacturer" means a person that manufactures or
4 assembles new motor vehicles or a distributor, factory branch, or
5 factory representative. **Manufacturer includes an electric motor
6 vehicle manufacturer.**

7 (6) "Motor vehicle" means that term as defined in section 33
8 of the Michigan vehicle code, 1949 PA 300, MCL 257.33, **and includes
9 an electric motor vehicle**, but does not include a bus, a tractor,
10 or farm equipment.

11 (7) "Motor vehicle service and repair facility" means a motor
12 vehicle repair facility, as defined in section 2 of the motor
13 vehicle service and repair act, 1974 PA 300, MCL 257.1302. The term
14 does not include a motor vehicle dealer performing maintenance,
15 diagnosis, vehicle body work, repairs, or other service or repair
16 work on motor vehicles under the terms of a dealer agreement.

17 Sec. 6. (1) "Relevant market area" means 1 of the following:

18 (a) In a county that has a population of more than 150,000,
19 the area within a radius of 9 miles of the site of the intended
20 place of business of a proposed new vehicle dealer or the intended
21 place of business of a new vehicle dealer that plans to relocate
22 its place of business. For purposes of this section, the 9-mile
23 distance is determined by measuring the distance between the
24 nearest surveyed boundary of an existing new motor vehicle dealer's
25 principal place of business and the nearest surveyed boundary line
26 of the proposed or relocated new motor vehicle dealer's principal
27 place of business.

28 (b) In a county that has a population of 150,000 or fewer, the
29 area within a radius of 15 miles of the site of the intended place



1 of business of a proposed new vehicle dealer or the intended place
2 of business of a new vehicle dealer that plans to relocate its
3 place of business. For purposes of this section, the 15-mile
4 distance is determined by measuring the distance between the
5 nearest surveyed boundary line of an existing new motor vehicle
6 dealer's principal place of business and the nearest surveyed
7 boundary line of the proposed or relocated new motor vehicle
8 dealer's principal place of business.

9 **(2) "Sell" or "selling" as it applies to a new motor vehicle**
10 **means to engage in the business of selling, trading, leasing, or**
11 **offering for sale or lease, negotiating, or otherwise attempting to**
12 **sell, trade, or lease a new motor vehicle, or any interest in, or**
13 **written instrument pertaining to, a new motor vehicle to a customer**
14 **at retail.**

15 **(3) ~~(2)~~**—"Stop-sale order" means a notification issued by a
16 manufacturer to its franchised new motor vehicle dealers stating
17 that certain used vehicles in inventory shall not be driven, sold,
18 or leased, at either retail or wholesale, due to a federal safety
19 recall or manufacturer issued recall for a defect or a
20 noncompliance, or a federal emissions recall.

21 **(4) ~~(3)~~**—"Successor manufacturer" means a manufacturer that
22 acquires, succeeds to, or assumes any part of the business of
23 another manufacturer as the result of any of the following:

24 (a) A change in ownership, operation, or control of a
25 predecessor manufacturer by sale or transfer of assets, corporate
26 stock, or other equity interest, assignment, merger, consolidation,
27 combination, joint venture, redemption, court-approved sale,
28 operation of law, or any other means.

29 (b) Termination, suspension, or cessation of a part or all of



1 the business operations of a predecessor manufacturer.

2 (c) Discontinuance of the sale of a product line.

3 (d) A change in distribution system by a predecessor
4 manufacturer, whether through a change in distributor or the
5 predecessor manufacturer's decision to cease conducting any
6 business through a particular distributor.

7 (5) ~~(4)~~—"Used motor vehicle" means a motor vehicle that is not
8 a new motor vehicle.

9 (6) ~~(5)~~—"Used motor vehicle dealer" means a person that is
10 engaged in the business of purchasing, selling, exchanging, or
11 dealing in used motor vehicles and that has an established place of
12 business in this state at which it conducts that business. The term
13 does not include a new motor vehicle dealer purchasing, selling,
14 exchanging, or dealing in used motor vehicles as part of its
15 business of purchasing, selling, exchanging, or dealing in new
16 motor vehicles.

17 Sec. 14. (1) ~~A~~—**Except as otherwise provided for an electric**
18 **motor vehicle manufacturer under section 14c, a** manufacturer shall
19 not do any of the following:

20 (a) Adopt, change, establish, or implement a plan or system
21 for the allocation and distribution of new motor vehicles to new
22 motor vehicle dealers that is arbitrary or capricious or based on
23 unreasonable sales and service standards, or modify an existing
24 plan or system that causes the plan or system to be arbitrary or
25 capricious or based on unreasonable sales and service standards.

26 (b) If requested in writing by a new motor vehicle dealer,
27 fail or refuse to advise or disclose to the dealer the basis on
28 which new motor vehicles of the same line-make are allocated or
29 distributed to new motor vehicle dealers in this state and the



1 basis on which the current allocation or distribution is being made
2 or will be made to that new motor vehicle dealer.

3 (c) Refuse to deliver to a new motor vehicle dealer in
4 reasonable quantities and within a reasonable time after receipt of
5 the dealer's order, any new motor vehicles that are covered by the
6 dealer agreement and specifically publicly advertised in this state
7 by the manufacturer as available for immediate delivery. However,
8 the failure to deliver any motor vehicle is not considered a
9 violation of this act if the failure is due to an act of God, a
10 work stoppage or delay due to a strike or labor difficulty, a
11 shortage of materials, a lack of manufacturing capacity, a freight
12 embargo, or other cause over which the manufacturer has no control.
13 If a manufacturer requires a new motor vehicle dealer to purchase
14 essential service tools with a purchase price in the aggregate of
15 more than \$7,500.00 in order to receive a specific model of
16 vehicle, the manufacturer shall on written request provide the
17 dealer with a ~~good faith~~ **good-faith** estimate in writing of the
18 number of vehicles of that specific model the dealer will be
19 allocated in the model year in which the dealer is required to
20 purchase the tool.

21 (d) Increase the price of a new motor vehicle that the new
22 motor vehicle dealer had ordered, and then eventually delivered to,
23 the same retail consumer for whom the vehicle was ordered, if the
24 order was made before the dealer's receipt of a written official
25 price increase notification. A sales contract signed by a private
26 retail consumer and binding on the dealer constitutes evidence of a
27 vehicle order. In the event of manufacturer price reductions or
28 cash rebates, the dealer shall pass on the amount of any reduction
29 or rebate received by the dealer to the private retail consumer.



1 Any price reduction in excess of \$5.00 shall apply to all vehicles
2 in the dealer's inventory that were subject to the price reduction.
3 A price difference applicable to new model or series motor vehicles
4 at the time of the introduction of the new models or the series is
5 not considered a price increase or price decrease. This subdivision
6 does not apply to price changes caused by any of the following:

7 (i) The addition to a motor vehicle of required or optional
8 equipment under state or federal law.

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

11 (iii) Any increase in transportation charges due to an increase
12 in rates charged by a common carrier or transporter.

13 (e) Offer any of the following to any new motor vehicle dealer
14 of a specific line-make without making the same offer available to
15 all other new motor vehicle dealers of the same line-make:

16 (i) Any specific model or series of new motor vehicles
17 manufactured for that line-make.

18 (ii) Any incentives, rebates, bonuses, promotional items, or
19 other similar benefits payable to the new motor vehicle dealer for
20 selling new motor vehicles or purchasing new motor vehicles from
21 the manufacturer.

22 (iii) Any consumer rebates, vehicle price reductions, or
23 interest rate reductions or other changes to finance terms that
24 benefit the consumer.

25 (iv) Any program that provides marketing and sales assistance
26 to new motor vehicle dealers, including, but not limited to,
27 internet listings, sales leads, marketing programs, and dealer
28 recognition programs.

29 (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 are parties, any business,
3 financial, or personal information that has been provided by the
4 dealer to the manufacturer, unless the new motor vehicle dealer
5 gives 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 under the manufacturer's warranty, or a
12 used motor vehicle dealer. This subdivision does not apply to any
13 of the following:

14 (i) The ownership, operation, or control by a manufacturer of a
15 new motor vehicle dealer for a period of not more than 24 months
16 during the transition from 1 owner or operator to another. The
17 circuit court may extend the 24-month time period for an additional
18 12 months upon receipt of an application from a manufacturer and a
19 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
22 while it is being sold under a bona fide contract or purchase
23 option to the operator of the new motor vehicle dealer or the used
24 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
28 following conditions are met:

29 (A) As of May 1, 2000, the manufacturer for a period of not



1 less than 12 months has continuously owned, directly or indirectly,
2 1 or more new motor vehicle dealers in this state.

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

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

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

16 (iv) The acquisition by a manufacturer of a used motor vehicle
17 dealer's license for the purpose of selling motor vehicles to
18 nonretail buyers.

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

28 (j) Prevent or attempt to prevent by contract or otherwise any
29 new motor vehicle dealer from changing the executive management of



1 a new motor vehicle dealer unless the manufacturer, having the
2 burden of proof, can show that the change of executive management
3 will result in executive management by a person or persons who are
4 not of good moral character or who do not meet reasonable,
5 preexisting, and equitably applied standards of the manufacturer.
6 If a manufacturer rejects a proposed change in the executive
7 management, the manufacturer shall give written notice of its
8 reasons to the dealer within 75 days after receiving written notice
9 from the dealer of the proposed change and all related information
10 reasonably requested by the manufacturer, or the change in
11 executive management is considered approved.

12 (k) Unreasonably withhold consent to the sale, transfer, or
13 exchange of a new motor vehicle dealership to a qualified buyer
14 that meets the manufacturer's uniformly applied requirements and
15 criteria to be a new motor vehicle dealer and that is capable of
16 being licensed as a new motor vehicle dealer in this state.

17 (l) Fail to respond to a written request from a new motor
18 vehicle dealer that has submitted an agreement for the sale,
19 transfer, or exchange of a new motor vehicle dealership. The
20 manufacturer shall provide the dealer with all forms generally
21 utilized and requested by the manufacturer for the approval of a
22 sale, transfer, or exchange of a new motor vehicle dealership not
23 later than 30 days after receiving a written request from the
24 dealer for the forms. A manufacturer shall have 75 days after the
25 date the manufacturer receives all the properly completed forms and
26 information generally utilized and requested by the manufacturer to
27 approve or disapprove the sale, transfer, or exchange of the new
28 motor vehicle dealership. The failure of the manufacturer to
29 approve or disapprove the sale, transfer, or exchange within the



1 75-day time period is considered approval.

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) Subject to section 13(1)(i) and (2), unless the
7 manufacturer enters into a written agreement with the new motor
8 vehicle dealer that clearly states the amount of the incentive
9 payments and the period of time during which the incentive payments
10 are paid, offer incentive payments to a new motor vehicle dealer in
11 consideration for a new motor vehicle dealer's promise to do any of
12 the following:

13 (i) Make material alterations to any facilities at the dealer's
14 place of business.

15 (ii) Construct new facilities for the conduct of the business
16 of the dealership.

17 (o) Require unreasonable improvements to a facility as a
18 condition to entering into or renewing a dealer agreement.

19 (p) Authorize a motor vehicle service and repair facility to
20 perform motor vehicle warranty repairs and recall work, unless the
21 work meets any of the following:

22 (i) Is required for emergency service of a vehicle.

23 (ii) Is work performed at a service center owned or operated by
24 a manufacturer on a manufacturer-owned vehicle.

25 (iii) Is work performed by **the vehicle manufacturer or** employees
26 of a fleet operator on ~~its~~ **the fleet operator's** own vehicles.

27 (q) ~~Own~~ **Directly or indirectly own** a motor vehicle service and
28 repair facility, except that a manufacturer may own a service and
29 repair facility for the repair of manufacturer-owned vehicles **and,**



1 at the request of a fleet operator, for the repair of a fleet
2 operator's vehicles as permitted under subdivision (p) (iii) .

3 (r) Engage in conduct that meets all of the following:

4 (i) Materially affects a new motor vehicle dealer.

5 (ii) Is capricious, is not in good faith, or is unconscionable.

6 (iii) Causes material damage to a new motor vehicle dealer.

7 (s) Require, attempt to require, coerce, or attempt to coerce
8 a new motor vehicle dealer to adhere to unreasonable performance
9 standards that are not applied uniformly to other similarly
10 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
28 program, certified, or other used motor vehicle offered for sale by
29 the manufacturer.



1 (u) Require that a new motor vehicle dealer provide its
2 customer lists or service files to the manufacturer, unless
3 necessary for the sale and delivery of a new motor vehicle to a
4 consumer, to validate and pay consumer or dealer incentives, or in
5 connection with the submission of a claim to the manufacturer for
6 services supplied by the new motor vehicle dealer for any claim for
7 warranty repairs. This section does not limit a manufacturer's
8 authority to require or use customer information to satisfy any
9 safety or recall obligation.

10 (v) Establish a performance standard or program for measuring
11 new motor vehicle dealer performance that may have a material and
12 adverse impact on a new motor vehicle dealer that is not fair,
13 reasonable, and equitable. For purposes of this subdivision, all of
14 the following apply if a manufacturer does not provide a complete
15 program description explaining the performance standard or program
16 details to a new motor vehicle dealer on or before the beginning of
17 the program:

18 (i) Within 10 days after receiving a request from the new motor
19 vehicle dealer, the manufacturer shall provide the new motor
20 vehicle dealer with a written description of how a performance
21 standard or program is designed.

22 (ii) Within 30 days after receiving a written request from the
23 new motor vehicle dealer, the manufacturer shall provide all of the
24 following to the dealer:

25 (A) The specific information relied on by the manufacturer
26 relating to how the performance standard or program was applied to
27 the new motor vehicle dealer. The manufacturer is not required to
28 disclose any proprietary or confidential information for purposes
29 of this sub-subparagraph. However, the result of the application of



1 a performance standard or program to a particular new motor vehicle
2 dealer is not considered proprietary or confidential as between the
3 manufacturer and that particular new motor vehicle dealer.

4 (B) An explanation as to how the manufacturer applies a
5 performance standard or program to a new motor vehicle dealer's
6 performance.

7 (iii) On written request, a manufacturer or a new motor vehicle
8 dealer shall meet with the other party, in person or
9 telephonically, under reasonable circumstances and as agreed to by
10 both parties, to present, explain, or discuss information the
11 manufacturer is required to provide under subparagraph (ii) (A) and
12 (B).

13 (w) If a new motor vehicle dealer sold or leased a new motor
14 vehicle to a customer that exported the motor vehicle to a foreign
15 country or resold the motor vehicle, and at the time of delivery to
16 the customer the vehicle was titled and registered in this state or
17 another state of the United States by the dealer, refuse to
18 allocate, sell, or deliver new motor vehicles to the dealer; charge
19 back or withhold payments or other things of value for which the
20 dealer is otherwise eligible under a sales promotion, program, or
21 contest; prevent a new motor vehicle dealer from participating in
22 any sales promotion, program, or contest; or take or threaten to
23 take any other adverse action against a new motor vehicle dealer,
24 including, but not limited to, reducing vehicle allocations or
25 terminating or threatening to terminate a dealer agreement, unless
26 the manufacturer proves that the new motor vehicle dealer knew or
27 reasonably should have known that the customer intended to export
28 or resell the motor vehicle. In an action by a new motor vehicle
29 dealer for a violation of this subdivision, there is a rebuttable



1 presumption that a new motor vehicle dealer did not know or should
2 not reasonably have known of its customer's intent to export or
3 resell a motor vehicle if the vehicle was titled and registered in
4 the United States, and the manufacturer bears the burden of
5 rebutting that presumption.

6 (x) If a new motor vehicle dealer is a party to a dealer
7 agreement on August 4, 2010, and the dealer agreement provides for
8 sale of a competing line-make of new motor vehicles at the same
9 place of business where the manufacturer's line-make is sold,
10 require or otherwise coerce the new motor vehicle dealer to remove
11 the sale or servicing of new motor vehicles of that competing line-
12 make from that place of business.

13 (y) Prevent, attempt to prevent, prohibit, coerce, or attempt
14 to coerce a new motor vehicle dealer from charging a consumer any
15 documentary preparation fee allowed to be charged by the dealer
16 under the laws of this state or require the disclosure of the
17 documentary preparation fee in a written format that is not
18 otherwise required by law.

19 (z) Prohibit, prevent, or attempt to prevent a new motor
20 vehicle dealer from transferring a dealership to or naming a
21 spouse, child, or executive manager as dealership successor to own
22 and operate the dealership unless the manufacturer, having the
23 burden of proof, can show that at the time the successor is named
24 or the dealership is transferred, the successor spouse, child, or
25 executive manager of the dealer is not of good moral character, has
26 a felony conviction, does not meet the manufacturer's uniformly
27 applied requirements and criteria to be a dealer, or is otherwise
28 disqualified from holding a license as a new motor vehicle dealer
29 under any applicable statute of this state. All of the following



1 apply for purposes of this subdivision:

2 (i) The manufacturer is required to provide the new motor
3 vehicle dealer, in writing, with its current uniformly applied
4 requirements and criteria to be a dealer within 30 days of
5 receiving the new motor vehicle dealer's written request for the
6 uniformly applied requirements and criteria to be a dealer.

7 (ii) Within 75 days after receiving the manufacturer's current
8 uniformly applied written requirements and criteria to be a dealer
9 from the manufacturer, the new motor vehicle dealer may submit a
10 written request to the manufacturer for a meeting, in person or
11 telephonically, with the manufacturer, under reasonable
12 circumstances as agreed to by both parties, to address the
13 requirements and criteria. The parties shall meet, in person or
14 telephonically, within 45 days after the new motor vehicle dealer's
15 request for a meeting, unless otherwise agreed. During the meeting,
16 the manufacturer shall provide the dealer an opportunity to
17 present, in writing, facts, data, and evidence that establish that
18 there are factors beyond the reasonable control or influence of the
19 new motor vehicle dealer that materially and adversely impact the
20 proposed transferee's ability to meet the manufacturer's current
21 uniformly applied written requirements to be a dealer. If the
22 manufacturer does not provide the new motor vehicle dealer an
23 opportunity to present, in writing, facts, data, and evidence, or
24 does not in good faith evaluate the effect of the facts, data, and
25 evidence presented by the dealer, then the manufacturer may not
26 prohibit or prevent the new motor vehicle dealer from transferring
27 the dealership to a spouse, child, or executive manager, or naming
28 a spouse, child, or executive manager as the dealership successor
29 to own and operate the dealership.



1 (iii) The manufacturer must make any decision to decline the new
2 motor vehicle dealer's request to transfer a new motor vehicle
3 dealership to a spouse, child, or executive manager, or name a
4 spouse, child, or executive manager as dealership successor, in
5 good faith, including the opportunity for a meeting, in person or
6 telephonically as provided in subparagraph (ii). If requested by the
7 new motor vehicle dealer in writing, the manufacturer must provide
8 the new motor vehicle dealer with the information that it relied on
9 when concluding that the spouse, child, or executive manager did
10 not satisfy the uniformly required requirements and criteria to be
11 a new motor vehicle dealer. However, the manufacturer is not
12 required to disclose proprietary or confidential information and is
13 not required to disclose any information if disclosure is
14 prohibited by law.

15 (aa) Make any material change in a dealer agreement without
16 giving the new motor vehicle dealer written notice of the change at
17 least 30 days before the effective date of the change. In any
18 dispute under this subdivision, the new motor vehicle dealer has
19 the burden of proving the modification is sufficiently significant
20 and material to require notice under this subdivision.

21 (bb) Unless otherwise agreed, require a new motor vehicle
22 dealer to sell or offer to sell an extended service contract or
23 extended maintenance plan offered, sold, backed by, or sponsored by
24 the manufacturer.

25 (2) A manufacturer, either directly or through any subsidiary,
26 shall not terminate, cancel, fail to renew, or discontinue any
27 lease of a new motor vehicle dealer's established place of business
28 except for a material breach of the lease.

29 (3) Within 30 days after receiving a written request from the



1 dealer, a manufacturer shall provide a new motor vehicle dealer
 2 that is seeking to sell, transfer, or exchange a new motor vehicle
 3 dealership with all forms generally utilized and requested by the
 4 manufacturer in connection with the sale, transfer, or exchange of
 5 a new motor vehicle dealership.

6 (4) A failure by a manufacturer or distributor to approve or
 7 disapprove a dealer's request to sell, transfer, or exchange its
 8 new motor vehicle dealership within the 75-day period after it
 9 receives a completed application, including all required
 10 documentation and information requested by the manufacturer or
 11 distributor, is considered approval by the manufacturer of the
 12 sale, transfer, or exchange of the dealership.

13 (5) This section applies to a manufacturer that sells,
 14 services, displays, or advertises its new motor vehicles in this
 15 state.

16 **Sec. 14c. (1) Notwithstanding any other provision of this act,**
 17 **an electric motor vehicle manufacturer that is licensed under this**
 18 **section may do 1 or more of the following:**

19 (a) Own, operate, or control a motor vehicle dealer that
 20 engages exclusively in the sale of electric motor vehicles of the
 21 electric motor vehicle manufacturer's line-make.

22 (b) Sell any electric motor vehicle of the electric motor
 23 vehicle manufacturer's line-make directly to a retail customer.

24 (c) Own a motor vehicle service repair facility for the repair
 25 of electric motor vehicles of the electric motor vehicle
 26 manufacturer's line-make.

27 (2) Within 6 months after the effective date of the amendatory
 28 act that added this section, the department of state shall
 29 promulgate rules establishing the application and approval process



1 for the licensure of electric motor vehicle manufacturers.

