

**MOTOR VEHICLE FRANCHISE ACT (EXCERPT)**  
**Act 118 of 1981**

**445.1568 Acts not constituting good cause for termination, cancellation, nonrenewal, or discontinuance of dealer agreement.**

Sec. 8.

Notwithstanding any agreement, the following alone shall not constitute good cause for the termination, cancellation, nonrenewal, or discontinuance of a dealer agreement under section 7(1)(c):

(a) A change in ownership of the new motor vehicle dealer's dealership. This subdivision does not authorize any change in ownership that would have the effect of a sale or an assignment of the dealer agreement or a change in the principal management of the dealership without the manufacturer's or distributor's prior written consent.

(b) The refusal of the new motor vehicle dealer to purchase or accept delivery of any new motor vehicle parts, accessories, or any other commodity or services not ordered by the new motor vehicle dealer.

(c) The fact that the new motor vehicle dealer owns, has an investment in, participates in the management of, or holds a dealer agreement for the sale of another make or line of new motor vehicles, or that the new motor vehicle dealer has established another make or line of new motor vehicles in the same dealership facilities as those of the manufacturer or distributor, provided that the new motor vehicle dealer maintains a reasonable line of credit for each make or line of new motor vehicles, and that the new motor vehicle dealer remains in substantial compliance with the terms and conditions of the dealer agreement and with the reasonable facilities' requirements of the manufacturer or distributor.

(d) The fact that the new motor vehicle dealer sells or transfers ownership of the dealership or sells or transfers capital stock in the dealership to the new motor vehicle dealer's spouse, son, or daughter. However, a sale or transfer described in this subdivision does not have the effect of a sale or an assignment of the dealer agreement or a change in the principal management of the dealership without the manufacturer's or distributor's prior written consent.

(e) For purposes of this section, the failure of the new motor vehicle dealer to achieve any performance standard or criteria that are unreasonable, inequitable, or discriminatory.

**History:** 1981, Act 118, Imd. Eff. July 19, 1981 ;-- Am. 2018, Act 668, Eff. Mar. 28, 2019