

Sec. 2. Section 16.92, subsection 1, Code 2005, is amended by adding the following new paragraph:

NEW PARAGRAPH. h. "Participating abstractor" means an abstractor participating in the title guaranty program.

Approved April 13, 2005

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## CHAPTER 27

### EQUIPMENT DEALERSHIPS — SALE OR TRANSFER

*H.F. 373*

**AN ACT** relating to equipment dealerships, by providing for the sale or transfer of a dealership and providing for the Act's applicability.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. NEW SECTION. 322F.5A TRANSFER OF DEALERSHIP.

1. If a supplier has contractual authority to approve or deny a request for a sale or transfer of a dealer's business or an equity ownership interest in the business, the supplier shall approve or deny the request within sixty days after receiving a written request from the dealer. If the supplier has not approved or denied the request within the sixty-day period, the request shall be deemed approved. The dealer's request shall include reasonable financial information, personal background information, character references, and work histories for each acquiring person.

2. If a supplier denies a request made pursuant to this section, the supplier shall provide the dealer with a written notice of the denial that states the reasons for the denial. A supplier may only deny a request based on the failure of a proposed transferee to meet the reasonable requirements consistently imposed by the supplier in determining whether to approve a transfer or a new dealership.

Sec. 2. Section 322F.9, subsection 2, Code 2005, is amended by adding the following new paragraph:

NEW PARAGRAPH. d. For all dealership agreements governing the sale or transfer of a dealer's business, section 322F.5A applies to those dealership agreements in effect that have no expiration date and all other such dealership agreements entered into or renewed on or after July 1, 2005. Any dealership agreement in effect on July 1, 2005, which by its own terms will terminate on a subsequent date, shall be governed by the law as it existed prior to July 1, 2005.

Approved April 13, 2005