

322.6 Denial of license.

The department may deny the application of any person for a license as a motor vehicle dealer and refuse to issue a license to the person as such, if, after reasonable notice and a hearing, the department determines that such applicant:

1. Has made a material false statement in the application for the license; or
2. Has not complied with the provisions of this chapter or any rules or regulations promulgated by the department thereunder except as otherwise provided; or
3. Is of bad business repute; or
4. Has been guilty of a fraudulent act in connection with selling, bartering, or otherwise dealing in motor vehicles; or
5. Is about to engage in any practice in connection with the sale, barter, or otherwise dealing in motor vehicles, which is fraudulent or in violation of the law; or
6. Has entered into contract or agreement or is about to enter into a contract or agreement with any manufacturer or distributor of motor vehicles which is contrary to any provision of this chapter; or
7. Has a contract or agreement with any manufacturer or distributor of motor vehicles or is about to enter into a contract or agreement with any manufacturer or distributor of motor vehicles, who without just, reasonable, and lawful cause therefor, has terminated within ninety days from the date of application a contract or agreement with a motor vehicle dealer in any county of the state in which the applicant proposes to engage in business;
8. Does not have a place of business within the meaning of this chapter unless applicant is a person referred to in subsection 7 of section 322.3;
9. Has violated any of the provisions of sections 321.78, 321.81, 321.92, 321.97, 321.98, 321.99, 321.100, 539.4, 714.1, and 714.16; or
10. If it has been judicially determined that the licensee has intentionally violated any of the provisions of the Iowa consumer credit code, chapter 537, and the licensee continues to make consumer credit sales, consumer loans or consumer leases in violation of the Iowa consumer credit code, chapter 537.

It shall be sufficient cause for refusal or revocation of a license as a motor vehicle dealer in the case of a partnership or corporation if any member of the partnership or any officer or director of the corporation has committed any act or omission which would be cause for refusing or revoking a license to such person as an individual.

In considering whether or not a contract or agreement between a motor vehicle dealer and a manufacturer or distributor of motor vehicles has been terminated by such manufacturer or distributor without just and reasonable cause therefor, the department shall take into consideration the circumstances existing at the time of such termination, including the amount of business transacted by the motor vehicle dealer pursuant to the contract or agreement and prior to such termination; the investment necessarily made and the obligation necessarily incurred by the motor vehicle dealer in the performance of the dealer's part of such contract; the permanency of such investment; the reasons for such termination by such manufacturer or distributor and the fact that it is injurious to the public welfare for the business of a motor vehicle dealer to be disrupted by termination of such contract without just and reasonable cause.

Whenever the department determines to deny the application of any person for a license as a motor vehicle dealer and refuses to issue a license to the person as such, the department shall enter a final order thereof with its findings relating thereto within thirty days from the date of the hearing thereon.

[C39, § **5039.06**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 322.6]

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