

322A.2 Discontinuing franchise.

1. Unless otherwise provided in subsection 2, notwithstanding the terms, provisions, or conditions of any agreement or franchise, a franchiser shall not terminate or refuse to continue any franchise unless the franchiser has first established, in a hearing held under the provisions of this chapter, that both of the following apply:

a. The franchiser has good cause for termination or noncontinuance.

b. Upon termination or noncontinuance, another franchise in the same line-make will become effective in the same community, without diminution of the motor vehicle service formerly provided, or that the community cannot be reasonably expected to support such a dealership.

2. A franchiser may terminate a franchise for a particular line-make if the franchiser discontinues that line-make and a franchiser may terminate a franchise if the franchisee's license as a motor vehicle dealer is revoked pursuant to the provisions of chapter 322.

[C71, 73, 75, 77, 79, 81, §322A.2]

2010 Acts, ch 1069, §110

Section amended