

322C.17 Transfer of ownership — family succession — objection.

1. *a.* If a towable recreational vehicle dealer makes or intends to make a change in ownership of a dealership by sale of the business assets, a stock transfer, or in another manner, the dealer shall provide to a manufacturer or distributor that is a party to a manufacturer-dealer agreement with the dealer written notice of the proposed change at least fifteen business days before the change becomes effective. The notice shall include all supporting documentation that may be reasonably required by the manufacturer or distributor to determine whether to make an objection to the change.

b. In the absence of a breach by the dealer of the manufacturer-dealer agreement or a violation of [this chapter](#), the manufacturer or distributor shall not object to the proposed change in ownership unless the objection is to the prospective transferee for any of the following reasons:

(1) The transferee has previously been a party to a manufacturer-dealer agreement with the manufacturer or distributor and the agreement was terminated, canceled, or not renewed by the manufacturer or distributor for good cause.

(2) The transferee has been convicted of a felony or any crime of fraud, deceit, or moral turpitude.

(3) The transferee lacks any license required by law.

(4) The transferee does not have an active line of credit sufficient to purchase the manufacturer's or distributor's products.

(5) The transferee is insolvent or has been within the previous ten years, or has filed for bankruptcy, receivership, or assignment for the benefit of creditors within the previous ten years.

c. If a manufacturer or distributor objects to a proposed change in ownership of a dealership, the manufacturer or distributor shall provide written notice of the reasons for the objection to the dealer within fifteen business days after receipt of the dealer's notification and supporting documentation about the proposed change. The manufacturer or distributor shall have the burden of proof to demonstrate that the objection complies with the requirements of [this subsection](#). If the manufacturer or distributor does not provide the dealer with timely notice of the objection, the dealer's proposed change in ownership of the dealership shall be deemed approved.

2. *a.* A manufacturer or distributor shall provide to a dealer the opportunity to designate, in writing, a family member as a successor to ownership of a dealership in the event of the death, incapacity, or retirement of the dealer. If a dealer desires to designate a family member as a successor to ownership of a dealership, the dealer shall provide to the manufacturer or distributor that is a party to the manufacturer-dealer agreement with the dealer written notice of the proposed designation, or modification of a previous designation, at least fifteen business days before the designation or proposed modification of a designation becomes effective. The notice shall include all supporting documentation as may be reasonably required by the manufacturer or distributor to determine whether to make an objection to the succession plan.

b. In the absence of a breach by the dealer of the manufacturer-dealer agreement or a violation of [this chapter](#), the manufacturer or distributor shall not object to the designation or proposed modification of a designation unless the objection is to the designated successor for any of the following reasons:

(1) The designated successor has previously been a party to a manufacturer-dealer agreement with the manufacturer or distributor and the agreement was terminated, canceled, or not renewed by the manufacturer or distributor for good cause.

(2) The designated successor has been convicted of a felony or any crime of fraud, deceit, or moral turpitude.

(3) The designated successor lacks any license required by law at the time of succession.

(4) The designated successor does not have an active line of credit sufficient to purchase the manufacturer's or distributor's products at the time of succession.

(5) The designated successor is insolvent or has been within the previous ten years, or

has filed for bankruptcy, receivership, or assignment for the benefit of creditors within the previous ten years.

c. If a manufacturer or distributor objects to a succession plan, the manufacturer or distributor shall provide written notice of the reasons for the objection to the dealer within fifteen business days after receipt of the dealer's notification and supporting documentation about the proposed designation or proposed modification of a designation. The manufacturer or distributor shall have the burden of proof to demonstrate that the objection complies with the requirements of [this subsection](#). If the manufacturer or distributor does not provide the dealer with timely notice of the objection, the dealer's proposed succession plan shall be deemed approved. A manufacturer or distributor shall allow the succession of ownership of a dealership to a designated family member when a dealer is deceased, incapacitated, or has retired, unless the manufacturer or distributor has provided to the dealer written notice of the manufacturer's or distributor's objections to the succession within fifteen days after receipt of notice of the succession. However, a family member of a dealer shall not succeed to ownership of a dealership if the succession involves, without the manufacturer's or distributor's consent, a relocation of the dealership or alteration of the terms and conditions of the manufacturer-dealer agreement.

[2019 Acts, ch 67, §14, 20](#)

Section applies to manufacturer-dealer agreements pertaining to the sale of new towable recreational vehicles entered into or renewed on or after January 1, 2020; 2019 Acts, ch 67, §20

NEW section