

322A.15 Guidelines.

1. In determining whether good cause has been established for terminating or not continuing a franchise, the department of inspections, appeals, and licensing shall take into consideration the existing circumstances, including, but not limited to:

- a. Amount of business transacted by the franchisee.
- b. Investment necessarily made and obligations incurred by the franchisee in the performance of the franchisee's part of the franchise.
- c. Permanency of the investment.
- d. Whether it is injurious to the public welfare for the business of the franchisee to be disrupted.
- e. Whether the franchisee has adequate motor vehicle service facilities, equipment, parts and qualified service personnel to reasonably provide consumer care for the motor vehicles sold at retail by the franchisee and any other motor vehicles of the same line-make.
- f. Whether the franchisee refuses to honor warranties of the franchiser to be performed by the franchisee, provided that the franchiser reimburses the franchisee for such warranty work performed by the franchisee.
- g. Except as provided in [section 322A.11](#), failure by the franchisee to substantially comply with those requirements of the franchise which are determined by the department of inspections, appeals, and licensing to be reasonable and material.
- h. Except as provided in [section 322A.11](#), bad faith by the franchisee in complying with those terms of the franchise which are determined by the department of inspections, appeals, and licensing to be reasonable and material.

2. Good cause does not include a realignment, relocation, or reduction of dealerships.

[C71, 73, 75, 77, 79, 81, §322A.15; 81 Acts, ch 22, §22]

[97 Acts, ch 108, §40](#); [2010 Acts, ch 1061, §180](#); [2023 Acts, ch 19, §1978, 1979](#)

Subsection 1, unnumbered paragraph 1 amended

Subsection 1, paragraphs g and h amended