

322C.14 Manufacturer-dealer agreement — termination, cancellation, nonrenewal, or alteration by manufacturer or distributor.

1. Notwithstanding [section 322C.3, subsection 5](#), a manufacturer or distributor may, either directly or through any authorized officer, agent, or employee, terminate, cancel, or fail to renew a manufacturer-dealer agreement with or without good cause. If the manufacturer or distributor terminates, cancels, or fails to renew a manufacturer-dealer agreement without good cause, the manufacturer or distributor shall comply with the repurchase requirements set forth in [section 322C.16](#).

2. A manufacturer or distributor shall have the burden of proof to demonstrate good cause for terminating, canceling, or failing to renew a manufacturer-dealer agreement. For purposes of determining whether good cause exists for the manufacturer's or distributor's termination, cancellation, or failure to renew a manufacturer-dealer agreement, any of the following factors may be considered:

- a. The extent of the dealer's presence in the community.
- b. The nature and extent of the dealer's investment in the dealer's business.
- c. The adequacy of the dealer's service facilities, equipment, parts, supplies, and personnel.
- d. The effect that the proposed termination, cancellation, or nonrenewal of the manufacturer-dealer agreement would have on the community.
- e. The extent and quality of the dealer's service under the warranties of the towable recreational vehicles sold by the dealer.
- f. The dealer's failure to follow procedures or standards related to the overall operation of the dealership that were agreed to by the dealer.
- g. The dealer's performance under the terms of the manufacturer-dealer agreement.

3. a. Except as otherwise provided in [this subsection](#) or [subsection 4](#), a manufacturer or distributor shall provide to a dealer written notice of termination, cancellation, or nonrenewal of a manufacturer-dealer agreement for good cause at least ninety days prior to terminating, canceling, or failing to renew the manufacturer-dealer agreement.

b. (1) The notice shall state all of the reasons for the termination, cancellation, or nonrenewal and shall further state that if, within thirty days following receipt of the notice, the dealer provides to the manufacturer or distributor a written notice of intent to cure all claimed deficiencies, the dealer shall then have ninety days following receipt of the notice to cure the deficiencies.

(2) If the deficiencies are cured within ninety days, the manufacturer's or distributor's notice is voided. If the dealer fails to provide the notice of intent to cure the deficiencies within thirty days, or fails to cure the deficiencies within ninety days, the termination, cancellation, or nonrenewal takes effect as provided in the original notice. If the dealer has possession of new and untitled inventory, the inventory may be sold pursuant to [section 322C.16](#).

c. The notice period for termination, cancellation, or nonrenewal of a manufacturer-dealer agreement for good cause may be reduced to thirty days if the grounds for termination, cancellation, or nonrenewal are due to any of the following factors:

(1) The dealer or one of the dealer's owners has been convicted of, or has entered a plea of guilty or nolo contendere to, a felony.

(2) The dealer has abandoned or closed the dealer's business operations for ten consecutive business days. This subparagraph does not apply if the closing is due to a normal seasonal closing and the dealer notifies the manufacturer or distributor of the planned closing, or is due to an act of God, a strike, a labor difficulty, or any other cause over which the dealer has no control.

(3) The dealer has made a significant misrepresentation that materially affects the business relationship of the manufacturer or distributor and the dealer.

(4) The dealer's license has been suspended, revoked, denied, or has not been renewed by the department.

(5) The dealer has committed a material violation of [this chapter](#) which is not cured within thirty days after receipt of written notice of the violation.

4. [Subsection 3](#) does not apply if the manufacturer or distributor terminates, cancels, or

fails to renew the manufacturer-dealer agreement because the dealer is insolvent, or has filed for bankruptcy, receivership, or assignment for the benefit of creditors.

[2019 Acts, ch 67, §11, 20](#); [2020 Acts, ch 1063, §168](#)