

322A.1 Definitions.

The following words and phrases when used in [this chapter](#) shall, for the purpose of [this chapter](#), have the meanings respectively ascribed to them:

1. “*Additional motor vehicle dealership*” includes a facility providing manufacturer-authorized or distributor-authorized service or warranty work for motor vehicles, except motor homes, of a line-make in a community in which the same line-make is represented.

2. “*Community*” means the franchisee’s area of responsibility as stipulated in the franchise.

3. “*Consumer care*” means to perform, for the public, necessary maintenance and repairs to motor vehicles.

4. “*Department*” means the state department of transportation.

5. a. “*Franchise*” means a contract between two or more persons when all of the following conditions are included:

(1) A commercial relationship of definite duration or continuing indefinite duration is involved.

(2) The franchisee is granted the right to offer and sell motor vehicles manufactured or distributed by the franchiser.

(3) The franchisee, as an independent business, constitutes a component of the franchiser’s distribution system.

(4) The operation of the franchisee’s business is substantially associated with the franchiser’s trademark, service mark, trade name, advertising, or other commercial symbol designating the franchiser.

(5) The operation of the franchisee’s business is substantially reliant on the franchiser for the continued supply of motor vehicles, parts, and accessories.

b. “*Franchise*” includes a separate written agreement between the franchisee and the franchiser which materially affects the franchise, whether entered into prior to the date of the franchise, contemporaneously with the franchise, or subsequent to the date of the franchise.

6. “*Franchisee*” means a person who receives motor vehicles from the franchiser under a franchise and who offers and sells such motor vehicles to the general public.

7. “*Franchiser*” means a person who manufactures or distributes motor vehicles and who may enter into a franchise as hereinafter defined.

8. “*Motor vehicle*” means “*motor vehicles*” as defined in [chapter 321](#) which are subject to registration pursuant to the provisions thereof.

9. “*Person*” means a sole proprietor, partnership, corporation, or any other form of business organization.

10. “*Substantially detrimental*” means that, by a preponderance of the evidence, the market share of the franchiser’s motor vehicles in the community will be significantly reduced in comparison to the franchiser’s historical market share in the community.

11. “*Termination or noncontinuance*” includes a reduction of the geographic area of a community.

[C71, 73, 75, 77, 79, 81, §322A.1; 81 Acts, ch 22, §22]

86 Acts, ch 1245, §1940; 91 Acts, ch 27, §3; 99 Acts, ch 69, §2; 2001 Acts, ch 32, §35, 40; 2010 Acts, ch 1081, §1; 2013 Acts, ch 30, §70; 2024 Acts, ch 1145, §27

Referred to in §322.5