

date. The application shall be made on forms issued by the commission and shall contain such information as the commission may reasonably require.

Sec. 10. An amount equal to one-half of the snowmobile fees credited to the state conservation fund during the fiscal period, July 1, 1980 to June 30, 1981 shall be transferred by the state comptroller to the special conservation fund established by section 6 of this Act prior to reverting any unobligated funds to the general fund for the fiscal period ending June 30, 1981.

Sec. 11. This Act, being deemed of immediate importance, takes effect from and after its publication in the Ankeny Press-Citizen, a newspaper published in Ankeny, Iowa, and in The Dubuque Leader, a newspaper published in Dubuque, Iowa.

Approved May 18, 1981

I hereby certify that the foregoing Act, Senate File 526, was published in the Ankeny Press-Citizen, Ankeny, Iowa on May 28, 1981 and The Dubuque Leader, Dubuque, Iowa on June 26, 1981.

MARY JANE ODELL, *Secretary of State*

CHAPTER 114

MOTOR FUEL FRANCHISEE SUCCESSORS

H. F. 775

AN ACT providing for successors to the interest of a franchisee upon the death of the franchisee under a franchise relating to the distribution or retail sale of motor fuels and special fuels.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Chapter 323, Code 1981, is amended by adding the following new section:

NEW SECTION. DEATH OF FRANCHISEE--SUCCESSOR--PENALTY.

1. It is unlawful to include in any distributor franchise or dealer franchise agreement a term which provides for the termination of the franchise by the franchiser upon the death of the franchisee if the franchisee, prior to his or her death, designates a successor-in-interest in a form prescribed by and delivered to the franchiser. For the purposes of this section, "successor-in-interest" is restricted to either a surviving spouse or adult child of the franchisee who, at the time of the franchisee's death, is able to meet reasonable qualifications then being required of distributors or dealers by the franchiser.

2. The successor-in-interest designated as provided in subsection 1 shall have twenty-one days after the death of the franchisee to give written notice of an election to assume and operate the franchise. The notification shall contain such information regarding business experience and credit worthiness

as is reasonably required by the franchiser. The successor-in-interest must offer to assume and commence operation of the franchise within ten days after the franchiser approves the assumption.

3. The franchise available to the successor-in-interest pursuant to this section shall be the same as that which existed in the name of the deceased franchisee at the time of the franchisee's death.

4. A franchisee may designate a primary and one alternate successor-in-interest. The alternate, if one is designated, has no rights under this section in the event of an exercise of rights by the primary successor-in-interest. If an alternate desires to assume and operate the franchise in the event the primary successor-in-interest fails to do so, the alternate must give notice of such election and otherwise comply with subsection 2.

5. Unless otherwise specifically provided in this section, actions to be performed by the franchiser or by the successor-in-interest under this section shall be performed within a reasonable time.

6. Following the death of a franchisee, and prior to the operation of the franchise by the successor-in-interest as provided in this section, the executor or administrator of the estate of the deceased franchisee may operate the franchise.

7. If the successor-in-interest assumes the franchise, the successor-in-interest shall account to the heirs or estate of the deceased franchisee for the value of personal property of the franchisee located at or related to the franchise.

8. If the successor-in-interest does not assume the franchise, the franchiser shall account to the heirs or the estate of the deceased franchisee for the value of branded products purchased directly from the franchiser.

9. A franchisee or successor-in-interest may commence a civil action to compel compliance by a franchiser with this section, or to obtain damages caused by a failure to comply with this section, or both, within two years after the date the franchiser fails to comply with the requirements of this section.

Sec. 2. This Act applies to franchise agreements executed or renewed on or after the effective date of this Act.

Approved April 20, 1981