

13-14-301 Termination or noncontinuance of franchise.

- (1) Except as provided in Subsection (2), a franchisor may not terminate or refuse to continue a franchise agreement or the rights to sell and service a line-make pursuant to a franchise agreement, whether through termination or noncontinuance of the franchise, termination or noncontinuance of a line-make, or otherwise, unless:
 - (a) the franchisee has received written notice from the franchisor 60 days before the effective date of termination or noncontinuance setting forth the specific grounds for termination or noncontinuance that are relied on by the franchisor as establishing good cause for the termination or noncontinuance;
 - (b) the franchisor has good cause for termination or noncontinuance; and
 - (c) the franchisor is willing and able to comply with Section 13-14-307.
- (2) A franchisor may terminate a franchise, without complying with Subsection (1):
 - (a) if the franchisee's license as a new motor vehicle dealer is revoked under Title 41, Chapter 3, Motor Vehicle Business Regulation Act; or
 - (b) upon a mutual written agreement of the franchisor and franchisee.
- (3)
 - (a) At any time before the effective date of termination or noncontinuance of the franchise, the franchisee may apply to the advisory board for a hearing on the merits, and following notice to all parties concerned, the hearing shall be promptly held as provided in Section 13-14-304.
 - (b) A termination or noncontinuance subject to a hearing under Subsection (3)(a) may not become effective until:
 - (i) final determination of the issue by the executive director; and
 - (ii) the applicable appeal period has lapsed.
- (4) A franchisee may voluntarily terminate its franchise if the franchisee provides written notice to the franchisor at least 30 days prior to the termination.

Amended by Chapter 318, 2009 General Session