

274 (ii) to withhold any entitlement, benefit, or service:

275 (A) to which the franchisee is entitled under a franchise agreement, contract, statute,  
276 rule, regulation, or law; or

277 (B) that has been granted to more than one other franchisee of the franchisor in the  
278 state[-];

279 (nn) coerce ~~H→~~ [or require] ~~←H~~ a franchisee ~~H→~~ [including] to establish, or  
279a provide ~~←H~~ by agreement, program, or incentive

280 provision ~~H→~~ [to] that a ~~H→~~ [dealer] franchisee ~~←H~~ must ~~←H~~ establish ~~H→~~ , ~~←H~~ a price at  
280a1 which the franchisee is

280a required to sell a product or service

281 that is:

282 (i) sold in connection with the franchisee's sale of a motor vehicle; and

283 (ii) (A) in the case of a product, not manufactured, provided, or distributed by the  
284 franchisor or an affiliate; or

285 (B) in the case of a service, not provided by the franchisor or an affiliate;

286 (oo) except as necessary to comply with a health or safety law, or to comply with a  
287 technology requirement compliance with which is necessary to sell or service a motor vehicle  
288 that the franchisee is authorized or licensed by the franchisor to sell or service, coerce or  
289 require a franchisee, through a penalty or other detriment to the franchisee's business, to:

290 (i) construct a new dealer facility or materially alter or remodel an existing dealer  
291 facility before the date that is 10 years after the date the construction of the new dealer facility  
292 at that location was completed, if the construction substantially complied with the franchisor's  
293 brand image standards or plans that the franchisor provided or approved; or

294 (ii) materially alter or remodel an existing dealer facility before the date that is 10 years  
295 after the date the previous alteration or remodeling at that location was completed, if the  
296 previous alteration or remodeling substantially complied with the franchisor's brand image  
297 standards or plans that the franchisor provided or approved; or

298 (pp) notwithstanding the terms of a franchise agreement providing otherwise and  
299 subject to Subsection (14):

300 (i) coerce or require a franchisee, including by agreement, program, or incentive  
301 provision, to purchase a good or service, relating to a facility construction, alteration, or  
302 remodel, from a vendor that a franchisor or its affiliate selects, identifies, or designates, without  
303 allowing the franchisee, after consultation with the franchisor, to obtain a like good or service  
304 of substantially similar quality from a vendor that the franchisee chooses; or

367 from disclosure by law or by contract between a franchisor and a franchisee; or

368 (b) require a franchisor to disregard the preference volunteered by a potential customer  
369 in providing or directing a lead.

370 (10) Subsection (1)(ii) does not limit the right of an affiliate to engage in business  
371 practices in accordance with the usage of trade in which the affiliate is engaged.

372 (11) (a) Subsection (1)(ll) does not apply to parts or accessories that the franchisee  
373 ordered and purchased outside of an automated parts ordering system required by the  
374 franchisor.

375 (b) In determining whether parts or accessories in a franchisee's inventory were  
376 specified and sold under an automated ordering system required by the franchisor, the parts and  
377 accessories in the franchisee's inventory are presumed to be the most recent parts and  
378 accessories that the franchisor sold to the franchisee.

379 (12) (a) Subsection (1)(mm) does not apply to a good faith settlement of a dispute,  
380 including a dispute relating to contract negotiations, in which the franchisee gives a waiver in  
381 exchange for fair consideration in the form of a benefit conferred on the franchisee.

382 (b) Subsection (12)(a) may not be construed to defeat a franchisee's claim that a waiver  
383 has been obtained in violation of Subsection (1)(mm).

384 (13) (a) As used in Subsection (1)(oo):

385 (i) "Materially alter":

386 (A) means to make a material architectural, structural, or aesthetic alteration; and

387 (B) does not include routine maintenance, such as interior painting, reasonably  
388 necessary to keep a dealership facility in attractive condition.

389 (ii) "Penalty or other detriment" does not include a payment under an agreement,  
390 incentive, or program that is offered to but declined ~~§~~→ or not accepted ←~~§~~ by a franchisee, even  
390a if a similar payment

391 is made to another franchisee in the state that chooses to participate in the agreement, incentive,  
392 or program.

393 (b) Subsection (1)(oo) does not apply to:

394 (i) a program that provides a lump sum payment to assist a franchisee to make a facility  
395 improvement or to pay for a sign or a franchisor image element, if the payment is not  
396 dependent on the franchisee selling or purchasing a specific number of new vehicles;

397 (ii) a program that is in effect on May 8, 2012 with more than one franchisee in the

398 state or to a renewal or modification of the program; ~~§~~→ [or] ←~~§~~

399 (iii) a program that provides reimbursement to a franchisee on reasonable, written  
 400 terms for a substantial portion of the franchisee's cost of making a facility improvement or  
 401 installing signage or a franchisor image element ~~§~~→ [:] ; or

401a (iv) a written agreement between a franchisor and franchisee, in effect before May 8,  
 401b 2012, under which a franchisee agrees to construct a new dealer facility. ←~~§~~

402 (14) ~~§~~→ (a) ←~~§~~ Subsection (1)(pp)(i) does not apply to:

403 ~~§~~→ [~~(a)~~] (i) ←~~§~~ signage purchased by a franchisee in which the franchisor has an intellectual  
 404 property right; or

405 ~~§~~→ [~~(b)~~] (ii) ←~~§~~ a good used in a facility construction, alteration, or remodel that is:

406 ~~§~~→ [~~(f)~~] (A) ←~~§~~ a moveable interior display that contains material subject to a franchisor's  
 407 intellectual property right; or

408 ~~§~~→ [~~(f)~~] (B) ←~~§~~ specifically eligible for reimbursement of over one-half its cost pursuant to

408a a

409 franchisor or distributor program or incentive granted to the franchisee on reasonable, written

410 terms. ~~§~~→ (b) Subsection (1)(pp)(ii) may not be construed to allow a franchisee to:

410a (i) impair or eliminate a franchisor's intellectual property right; or

410b (ii) erect or maintain a sign that does not conform to the franchisor's reasonable

410c fabrication specifications and intellectual property usage guidelines. ←~~§~~