

**Effective 5/12/2015**

**13-14-302.5 Application of new franchise process with respect to certain terminated franchises.**

- (1) As used in this section:
  - (a) "Covered franchisee":
    - (i) means a person who was a franchisee under a pre-bankruptcy franchise; and
    - (ii) is a "covered dealership," as that term is defined in the federal franchise arbitration law.
  - (b) "Covered franchisor":
    - (i) means a person who was a franchisor under a pre-bankruptcy franchise; and
    - (ii) is a "covered manufacturer," as that term is defined in the federal franchise arbitration law.
  - (c) "Federal franchise arbitration law" means Section 747 of the Consolidated Appropriations Act of 2010, Pub. L. No. 111-117.
  - (d) "New franchisor":
    - (i) means a person who is a franchisor of the same line-make as the franchisor under a pre-bankruptcy franchise that has become a terminated franchise; and
    - (ii) is a "covered manufacturer," as that term is defined in the federal franchise arbitration law.
  - (e) "Pre-bankruptcy franchise" means a franchise in effect as of October 3, 2008.
  - (f) "Reinstated franchise" means:
    - (i) a terminated franchise that a reinstatement order determines should be reinstated, renewed, continued, assigned, or assumed; or
    - (ii) a franchise that a reinstatement order otherwise determines should be reestablished in or added to the dealer network of a new franchisor in the geographic area where the covered franchisee was located before October 3, 2008.
  - (g) "Reinstated franchisee" means a covered franchisee:
    - (i) whose franchise became a terminated franchise with less than 90 days' notice prior to termination; and
    - (ii) that becomes entitled to a reinstated franchise under a reinstatement order.
  - (h) "Reinstatement order" means an arbitrator's written determination:
    - (i) in an arbitration proceeding held under the federal franchise arbitration law; and
    - (ii)
      - (A) that a terminated franchise should be reinstated, renewed, continued, assigned, or assumed; or
      - (B) that a covered franchisee should otherwise be reestablished as a franchisee in or added to the dealer network of a new franchisor in the geographic area where the covered franchisee was located before October 3, 2008.
  - (i) "Terminated franchise" means a covered franchisee's pre-bankruptcy franchise that was terminated or not continued or renewed as a result of a bankruptcy proceeding involving a covered franchisor as the bankruptcy debtor.
- (2) The process under Sections 13-14-302, 13-14-304, and 13-14-306 for the issuance of a franchise, including Subsections 13-14-302(5) and (6) and Section 13-14-304 relating to a protest by another franchisee in the line-make in the relevant market area against the establishment or relocation of a franchise, does not apply to a reinstated franchise or reinstated franchisee.

Amended by Chapter 268, 2015 General Session