

Senator Daniel R. Liljenquist proposes the following substitute bill:

NEW MOTOR VEHICLE FRANCHISE

AMENDMENTS

2010 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel R. Liljenquist

House Sponsor: Douglas C. Aagard

LONG TITLE

General Description:

This bill modifies and enacts provisions under the New Automobile Franchise Act.

Highlighted Provisions:

This bill:

- ▶ modifies definitions;
- ▶ enacts a definition of "site-control agreement";
- ▶ modifies provisions relating to prohibited actions by a new motor vehicle franchisor;
- ▶ prohibits a new motor vehicle franchisor from taking certain actions;
- ▶ modifies the basis for denial of a franchisee's claim for warranty compensation;
- ▶ enacts a provision relating to site-control agreements;
- ▶ modifies a provision relating to the relocation of a franchisee;
- ▶ modifies a provision relating to a franchisor's obligation to pay a franchisee upon the termination or noncontinuation of a franchise; and
- ▶ enacts a provision governing the termination, cancellation, or nonrenewal of a recreational vehicle franchise.

Monies Appropriated in this Bill:



26 None

27 **Other Special Clauses:**

28 None

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **13-14-102**, as last amended by Laws of Utah 2009, Chapter 318

32 **13-14-201**, as last amended by Laws of Utah 2009, Chapter 318

33 **13-14-204**, as last amended by Laws of Utah 2009, Chapter 318

34 **13-14-302**, as last amended by Laws of Utah 2005, Chapter 249

35 **13-14-307**, as last amended by Laws of Utah 2009, Chapter 318

36 ENACTS:

37 **13-14-206**, Utah Code Annotated 1953

38 **13-14-307.5**, Utah Code Annotated 1953



40 *Be it enacted by the Legislature of the state of Utah:*

41 Section 1. Section **13-14-102** is amended to read:

42 **13-14-102. Definitions.**

43 As used in this chapter:

44 (1) "Advisory board" or "board" means the Utah Motor Vehicle Franchise Advisory
45 Board created in Section 13-14-103.

46 (2) "Affiliate" has the meaning set forth in Section 16-10a-102.

47 (3) "Aftermarket product" means any product or service not included in the
48 ~~manufacturer's~~ franchisor's suggested retail price of the new motor vehicle, as that price
49 appears on the label required by 15 U.S.C. Sec. 1232(f).

50 (4) "Dealership" means a site or location in this state:

51 (a) at which a franchisee conducts the business of a new motor vehicle dealer; and

52 (b) that is identified as a new motor vehicle dealer's principal place of business for
53 licensing purposes under Section 41-3-204.

54 (5) "Department" means the Department of Commerce.

55 (6) "Executive director" means the executive director of the Department of Commerce.

56 (7) (a) "Franchise" or "franchise agreement" means a written agreement, or in the

57 absence of a written agreement, then a course of dealing or a practice for a definite or indefinite
58 period, in which:

59 (i) a person grants to another person a license to use a trade name, trademark, service
60 mark, or related characteristic; and

61 (ii) a community of interest exists in the marketing of new motor vehicles, new motor
62 vehicle parts, and services related to the sale or lease of new motor vehicles at wholesale or
63 retail.

64 (b) "Franchise" or "franchise agreement" includes a sales and service agreement.

65 (8) "Franchisee" means a person with whom a franchisor has agreed or permitted, in
66 writing or in practice, to purchase, sell, or offer for sale new motor vehicles manufactured,
67 produced, represented, or distributed by the franchisor.

68 (9) "Franchisor" means a person who has, in writing or in practice, agreed with or
69 permits a franchisee to purchase, sell, or offer for sale new motor vehicles manufactured,
70 produced, assembled, represented, or distributed by the franchisor, and includes:

71 (a) the manufacturer, producer, assembler, or distributor of the new motor vehicles;

72 (b) an intermediate distributor; and

73 (c) an agent, officer, or field or area representative of the franchisor.

74 (10) "Lead" means the referral by a franchisor to a franchisee of a potential customer
75 whose contact information was obtained from a franchisor's program, process, or system
76 designed to generate referrals for the purchase or lease of a new motor vehicle, or for service
77 work related to the franchisor's vehicles.

78 (11) "Line-make" means:

79 (a) for other than a recreational vehicle, the motor vehicles that are offered for sale,
80 lease, or distribution under a common name, trademark, service mark, or brand name of the
81 franchisor~~[-or manufacturer of the motor vehicle]~~; or

82 (b) for a recreational vehicle, a specific series of recreational vehicle product that:

83 (i) is identified by a common series trade name or trademark;

84 (ii) is targeted to a particular market segment, as determined by decor, features,
85 equipment, size, weight, and price range;

86 (iii) has a length and floor plan that distinguish the recreational vehicle from other
87 recreational vehicles with substantially the same decor, features, equipment, size, weight, and

88 price;

89 (iv) belongs to a single, distinct classification of recreational vehicle product type
90 having a substantial degree of commonality in the construction of the chassis, frame, and body;
91 and

92 (v) a franchise agreement authorizes a dealer to sell.

93 (12) "Mile" means 5,280 feet.

94 (13) "Motor home" means a self-propelled vehicle, primarily designed as a temporary
95 dwelling for travel, recreational, or vacation use.

96 (14) (a) "Motor vehicle" means:

97 (i) a travel trailer;

98 (ii) except as provided in Subsection (14)(b), a motor vehicle as defined in Section
99 41-3-102;

100 (iii) a semitrailer as defined in Section 41-1a-102;

101 (iv) a trailer as defined in Section 41-1a-102; and

102 (v) a recreational vehicle.

103 (b) "Motor vehicle" does not include:

104 (i) a motorcycle as defined in Section 41-1a-102;

105 (ii) an off-highway vehicle as defined in Section 41-3-102; and

106 (iii) a small trailer as defined in Section 41-3-102.

107 (15) "New motor vehicle" means a motor vehicle as defined in Subsection (14) that has
108 never been titled or registered and has been driven less than 7,500 miles, unless the motor
109 vehicle is a trailer, travel trailer, or semitrailer, in which case the mileage limit does not apply.

110 (16) "New motor vehicle dealer" is a person who is licensed under Subsection
111 41-3-202(1)(a) to sell new motor vehicles.

112 (17) "Notice" or "notify" includes both traditional written communications and all
113 reliable forms of electronic communication unless expressly prohibited by statute or rule.

114 (18) (a) "Recreational vehicle" means a vehicular unit other than a mobile home,
115 primarily designed as a temporary dwelling for travel, recreational, or vacation use, that is
116 either self-propelled or pulled by another vehicle.

117 (b) "Recreational vehicle" includes:

118 (i) a travel trailer;

119 (ii) a camping trailer;

120 (iii) a motor home;

121 (iv) a fifth wheel trailer; and

122 (v) a van.

123 (19) (a) "Relevant market area," except with respect to recreational vehicles, means:

124 (i) the county in which a dealership is to be established or relocated; and

125 (ii) the area within a [~~ten-mile~~] 15-mile radius from the site of the new or relocated
126 dealership.

127 (b) "Relevant market area," with respect to recreational vehicles, means:

128 (i) the county in which the dealership is to be established or relocated; and

129 (ii) the area within a 35-mile radius from the site of the new or relocated dealership.

130 (20) "Sale, transfer, or assignment" means any disposition of a franchise or an interest
131 in a franchise, with or without consideration, including a bequest, inheritance, gift, exchange,
132 lease, or license.

133 (21) "Serve" or "served," unless expressly indicated otherwise by statute or rule,
134 includes any reliable form of communication.

135 (22) "Site-control agreement" means an agreement, however denominated and
136 regardless of its form or of the parties to it, that has the effect of:

137 (a) controlling in any way the use and development of the premises upon which a
138 franchisee's business operations are located;

139 (b) requiring a franchisee to establish or maintain an exclusive dealership facility on
140 the premises upon which the franchisee's business operations are located; or

141 (c) restricting the ability of the franchisee or, if the franchisee leases the dealership
142 premises, the franchisee's lessor to transfer, sell, lease, develop, redevelop, or change the use of
143 some or all of the dealership premises, whether by sublease, lease, collateral pledge of lease,
144 right of first refusal to purchase or lease, option to purchase or lease, or any similar
145 arrangement.

146 [~~(22)~~] (23) "Travel trailer," "camping trailer," or "fifth wheel trailer" means a portable
147 vehicle without motive power, designed as a temporary dwelling for travel, recreational, or
148 vacation use that does not require a special highway movement permit when drawn by a
149 self-propelled motor vehicle.

150 [~~(23)~~] (24) "Written," "write," "in writing," or other variations of those terms shall
151 include all reliable forms of electronic communication.

152 Section 2. Section **13-14-201** is amended to read:

153 **13-14-201. Prohibited acts by franchisors -- Affiliates -- Disclosures.**

154 (1) A franchisor may not in this state:

155 (a) except as provided in Subsection (3), require a franchisee to order or accept
156 delivery of any new motor vehicle, part, accessory, equipment, or other item not otherwise
157 required by law that is not voluntarily ordered by the franchisee;

158 (b) require a franchisee to:

159 (i) participate monetarily in any advertising campaign; or

160 (ii) contest, or purchase any promotional materials, display devices, or display
161 decorations or materials;

162 (c) require a franchisee to change the capital structure of the franchisee's dealership or
163 the means by or through which the franchisee finances the operation of the franchisee's
164 dealership, if the dealership at all times meets reasonable capital standards determined by and
165 applied in a nondiscriminatory manner by the franchisor;

166 (d) require a franchisee to refrain from participating in the management of, investment
167 in, or acquisition of any other line of new motor vehicles or related products, if the franchisee:

168 (i) maintains a reasonable line of credit for each make or line of vehicles; and

169 (ii) complies with reasonable capital and facilities requirements of the franchisor;

170 (e) require a franchisee to prospectively agree to a release, assignment, novation,
171 waiver, or estoppel that would:

172 (i) relieve a franchisor from any liability, including notice and hearing rights imposed
173 on the franchisor by this chapter; or

174 (ii) require any controversy between the franchisee and a franchisor to be referred to a
175 third party if the decision by the third party would be binding;

176 (f) require a franchisee to change the location of the principal place of business of the
177 franchisee's dealership or make any substantial alterations to the dealership premises, if the
178 change or alterations would be unreasonable or cause the franchisee to lose control of the
179 premises or impose any other unreasonable requirement related to the facilities or premises;

180 (g) coerce or attempt to coerce a franchisee to join, contribute to, or affiliate with an

181 advertising association;

182 (h) require, coerce, or attempt to coerce a franchisee to enter into an agreement with the
183 franchisor or do any other act that is unfair or prejudicial to the franchisee, by threatening to
184 cancel a franchise agreement or other contractual agreement or understanding existing between
185 the franchisor and franchisee;

186 (i) adopt, change, establish, enforce, modify, or implement a plan or system for the
187 allocation, scheduling, or delivery of new motor vehicles, parts, or accessories to its franchisees
188 so that the plan or system is not fair, reasonable, and equitable;

189 (j) increase the price of any new motor vehicle that the franchisee has ordered from the
190 franchisor and for which there exists at the time of the order a bona fide sale to a retail
191 purchaser if the order was made prior to the franchisee's receipt of an official written price
192 increase notification;

193 (k) fail to indemnify and hold harmless its franchisee against any judgment for
194 damages or settlement approved in writing by the franchisor:

195 (i) including court costs and attorney fees arising out of actions, claims, or proceedings
196 including those based on:

197 (A) strict liability;

198 (B) negligence;

199 (C) misrepresentation;

200 (D) express or implied warranty;

201 (E) revocation as described in Section 70A-2-608; or

202 (F) rejection as described in Section 70A-2-602; and

203 (ii) to the extent the judgment or settlement relates to alleged defective or negligent
204 actions by the franchisor;

205 (l) threaten or coerce a franchisee to waive or forbear its right to protest the
206 establishment or relocation of a same line-make franchisee in the relevant market area of the
207 affected franchisee;

208 (m) fail to ship monthly to a franchisee, if ordered by the franchisee, the number of
209 new motor vehicles of each make, series, and model needed by the franchisee to achieve a
210 percentage of total new vehicle sales of each make, series, and model equitably related to the
211 total new vehicle production or importation being achieved nationally at the time of the order

212 by each make, series, and model covered under the franchise agreement;

213 (n) require or otherwise coerce a franchisee to under-utilize the franchisee's existing
214 dealer facility or facilities, including by:

215 (i) requiring or otherwise coercing a franchisee to exclude or remove from the
216 franchisee's facility operations the selling or servicing of a line-make of vehicles for which the
217 franchisee has a franchise agreement to utilize the facilities; or

218 (ii) prohibiting the franchisee from locating, relocating, or occupying a franchise or
219 line-make in an existing facility owned or occupied by the franchisee that includes the selling
220 or servicing of another franchise or line-make at the facility provided that the franchisee gives
221 the franchisor written notice of the franchise co-location;

222 (o) fail to include in any franchise agreement or other agreement governing a
223 franchisee's ownership of a dealership or a franchisee's conduct of business under a franchise
224 the following language or language to the effect that: "If any provision in this agreement
225 contravenes the laws or regulations of any state or other jurisdiction where this agreement is to
226 be performed, or provided for by such laws or regulations, the provision is considered to be
227 modified to conform to such laws or regulations, and all other terms and provisions shall
228 remain in full force.";

229 (p) engage in the distribution, sale, offer for sale, or lease of a new motor vehicle to
230 purchasers who acquire the vehicle in this state except through a franchisee with whom the
231 franchisor has established a written franchise agreement, if the franchisor's trade name,
232 trademark, service mark, or related characteristic is an integral element in the distribution, sale,
233 offer for sale, or lease;

234 (q) engage in the distribution or sale of a recreational vehicle that is manufactured,
235 rented, sold, or offered for sale in this state without being constructed in accordance with the
236 standards set by the American National Standards Institute for recreational vehicles and
237 evidenced by a seal or plate attached to the vehicle;

238 (r) except as provided in Subsection (2), authorize or permit a person to perform
239 warranty service repairs on motor vehicles, except warranty service repairs:

240 (i) by a franchisee with whom the franchisor has entered into a franchise agreement for
241 the sale and service of the franchisor's motor vehicles; or

242 (ii) on owned motor vehicles by a person or government entity who has purchased new

243 motor vehicles pursuant to a franchisor's [~~or manufacturer's~~] fleet discount program;

244 (s) fail to provide a franchisee with a written franchise agreement;

245 (t) (i) except as provided in Subsection (1)(t)(ii) and notwithstanding any other

246 provisions of this chapter:

247 (A) unreasonably fail or refuse to offer to its same line-make franchised dealers all

248 models manufactured for that line-make;

249 (B) unreasonably require a dealer to:

250 (I) pay any extra fee, remodel, renovate, recondition the dealer's existing facilities; or

251 (II) purchase unreasonable advertising displays or other materials as a prerequisite to

252 receiving a model or series of vehicles;

253 (ii) notwithstanding Subsection (1)(t)(i), a recreational vehicle [~~manufacturer~~

254 franchisor may split a line-make between motor home and travel trailer products;

255 (u) except as provided in Subsection (6), directly or indirectly:

256 (i) own an interest in a new motor vehicle dealer or dealership;

257 (ii) operate or control a new motor vehicle dealer or dealership;

258 (iii) act in the capacity of a new motor vehicle dealer, as defined in Section 13-14-102;

259 or

260 (iv) operate a motor vehicle service facility;

261 (v) fail to timely pay for all reimbursements to a franchisee for incentives and other

262 payments made by the franchisor;

263 (w) directly or indirectly influence or direct potential customers to franchisees in an

264 inequitable manner, including:

265 (i) charging a franchisee a fee for a referral regarding a potential sale or lease of any of

266 the franchisee's products or services in an amount exceeding the actual cost of the referral;

267 (ii) giving a customer referral to a franchisee on the condition that the franchisee agree

268 to sell the vehicle at a price fixed by the franchisor; or

269 (iii) advising a potential customer as to the amount that the potential customer should

270 pay for a particular product;

271 (x) fail to provide comparable delivery terms to each franchisee for a product of the

272 franchisor, including the time of delivery after the placement of an order by the franchisee;

273 (y) if personnel training is provided by the franchisor to its franchisees, unreasonably

274 fail to make that training available to each franchisee on proportionally equal terms;

275 (z) condition a franchisee's eligibility to participate in a sales incentive program on the
276 requirement that a franchisee use the financing services of the franchisor or a subsidiary or
277 affiliate of the franchisor for inventory financing;

278 (aa) make available for public disclosure, except with the franchisee's permission or
279 under subpoena or in any administrative or judicial proceeding in which the franchisee or the
280 franchisor is a party, any confidential financial information regarding a franchisee, including:

281 (i) monthly financial statements provided by the franchisee;

282 (ii) the profitability of a franchisee; or

283 (iii) the status of a franchisee's inventory of products;

284 (bb) use any performance standard, incentive program, or similar method to measure
285 the performance of franchisees unless the standard or program:

286 (i) is designed and administered in a fair, reasonable, and equitable manner;

287 (ii) if based upon a survey, utilizes an actuarially generally acceptable, valid sample;

288 and

289 (iii) is, upon request by a franchisee, disclosed and explained in writing to the
290 franchisee, including:

291 (A) how the standard or program is designed;

292 (B) how the standard or program will be administered; and

293 (C) the types of data that will be collected and used in the application of the standard or
294 program;

295 (cc) other than sales to the federal government, directly or indirectly, sell, lease, offer
296 to sell, or offer to lease, a new motor vehicle or any motor vehicle owned by the franchisor,
297 except through a franchised new motor vehicle dealer;

298 (dd) compel a franchisee, through a finance subsidiary, to agree to unreasonable
299 operating requirements, except that this Subsection (1)(dd) may not be construed to limit the
300 right of a financing subsidiary to engage in business practices in accordance with the usage of
301 trade in retail and wholesale motor vehicle financing;

302 (ee) condition the franchisor's participation in co-op advertising for a product category
303 on the franchisee's participation in any program related to another product category or on the
304 franchisee's achievement of any level of sales in a product category other than that which is the

305 subject of the co-op advertising;

306 (ff) except as provided in Subsections (7) through (9), discriminate against a franchisee
307 in the state in favor of another franchisee of the same line-make in the state:

308 (i) by selling or offering to sell a new motor vehicle to one franchisee at a higher actual
309 price, including the price for vehicle transportation, than the actual price at which the same
310 model similarly equipped is offered to or is made available by the franchisor to another
311 franchisee in the state during a similar time period;

312 (ii) except as provided in Subsection (8), by using a promotional program or device or
313 an incentive, payment, or other benefit, whether paid at the time of the sale of the new motor
314 vehicle to the franchisee or later, that results in the sale of or offer to sell a new motor vehicle
315 to one franchisee in the state at a higher price, including the price for vehicle transportation,
316 than the price at which the same model similarly equipped is offered or is made available by
317 the franchisor to another franchisee in the state during a similar time period;

318 (iii) except as provided in Subsection (9), by failing to provide or direct a lead in a fair,
319 equitable, and timely manner; or

320 (iv) if the franchisee complies with any reasonable requirement concerning the sale of
321 new motor vehicles, by using or considering the performance of any of its franchisees located
322 in this state relating to the sale of the [~~manufacturer's~~] franchisor's new motor vehicles in
323 determining the:

324 (A) dealer's eligibility to purchase program, certified, or other used motor vehicles
325 from the [~~manufacturer~~] franchisor;

326 (B) volume, type, or model of program, certified, or other used motor vehicles the
327 dealer is eligible to purchase from the [~~manufacturer~~] franchisor;

328 (C) price of any program, certified, or other used motor vehicles that the dealer is
329 eligible to purchase from the [~~manufacturer~~] franchisor; or

330 (D) availability or amount of any discount, credit, rebate, or sales incentive the dealer
331 is eligible to receive from the manufacturer for the purchase of any program, certified, or other
332 motor vehicle offered for sale by the [~~manufacturer~~] franchisor;

333 (gg) (i) take control over funds owned or under the control of a franchisee based on the
334 findings of a warranty audit or sales incentive audit unless the following conditions are
335 satisfied:

336 (A) the franchisor fully identifies in writing the basis for the franchisor's claim or
337 charge back arising from the audit, including notifying the franchisee that the franchisee has 20
338 days from the day on which the franchisee receives the franchisor's claim or charge back to
339 assert a protest in writing to the franchisor identifying the basis for the protest;

340 (B) the franchisee's protest shall inform the franchisor that the protest shall be
341 submitted to a mediator in the state who is identified by name and address in the franchisee's
342 notice to the franchisor;

343 (C) if mediation is requested under Subsection (1)(gg)(i)(B), mediation shall occur no
344 later than 30 days after the day on which the franchisor receives the franchisee's protest of a
345 claim or charge back;

346 (D) if mediation does not lead to a resolution of the protest, the protest shall be set for
347 binding arbitration in the same venue in which the mediation occurred;

348 (E) binding arbitration under Subsection (1)(gg)(i)(D) shall be conducted:

349 (I) by an arbitrator mutually agreed upon by the franchisor and the franchisee; and

350 (II) on a date mutually agreed upon by the franchisor and the franchisee, but shall be
351 held no later than 90 days after the franchisor's receipt of the franchisee's notice of protest;

352 (F) this Subsection (1)(gg)(i) applies exclusively to warranty audits and sales incentive
353 audits;

354 (G) Subsections (1)(gg)(i)(A) through (E) do not apply if the franchisor reasonably
355 believes that the amount of the claim or charge back is related to a fraudulent act by the
356 franchisee; and

357 (H) the costs of the mediator or arbitrator instituted under this Subsection (1)(gg) shall
358 be shared equally by the franchisor and the franchisee[-]; or

359 (ii) [~~A franchisor may not~~] require a franchisee to execute a written waiver of the
360 requirements of Subsection (1)(gg)(i);

361 (hh) coerce, or attempt to coerce a franchisee to purchase or sell an aftermarket product
362 manufactured by the franchisor, or obtained by the franchisor for resale from a third-party
363 supplier and the franchisor or its affiliate derives a financial benefit from the franchisee's sale
364 or purchase of the aftermarket product as a condition to obtaining preferential status from the
365 franchisor;

366 (ii) through an affiliate, take any action that would otherwise be prohibited under this

367 chapter; [or]

368 (jj) impose any fee, surcharge, or other charge on a franchisee designed to recover the
369 cost of a warranty repair for which the franchisee is paid by the franchisor[-];

370 (kk) directly or indirectly condition any of the following actions on the willingness of a
371 franchisee, prospective new franchisee, or owner of an interest in a dealership facility to enter
372 into a site-control agreement:

373 (i) the awarding of a franchise to a prospective new franchisee;

374 (ii) the addition of a line-make or franchise to an existing franchisee;

375 (iii) the renewal of an existing franchisee's franchise;

376 (iv) the approval of the relocation of an existing franchisee's dealership facility, unless
377 the franchisor pays, and the franchisee voluntarily accepts, additional specified cash
378 consideration to facilitate the relocation; or

379 (v) the approval of the sale or transfer of a franchise's ownership, unless the franchisor
380 pays, and the buyer voluntarily accepts, additional specified cash consideration to facilitate the
381 sale or transfer;

382 (ll) subject to Subsection (11), deny a franchisee the right to return any or all parts or
383 accessories that:

384 (i) were specified for and sold to the franchisee under an automated ordering system
385 required by the franchisor; and

386 (ii) (A) are in good, resalable condition; and

387 (B) (I) the franchisee received within the previous 12 months; or

388 (II) are listed in the current parts catalog; or

389 (mm) subject to Subsection (12), obtain from a franchisee a waiver of a franchisee's
390 right, by threatening:

391 (i) to impose a detriment upon the franchisee's business; or

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

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

395 (B) that has been granted to more than one other franchisee of the franchisor in the
396 state.

397 (2) Notwithstanding Subsection (1)(r), a franchisor may authorize or permit a person to

398 perform warranty service repairs on motor vehicles if the warranty services is for a franchisor
399 of recreational vehicles.

400 (3) Subsection (1)(a) does not prevent the franchisor from requiring that a franchisee
401 carry a reasonable inventory of:

402 (a) new motor vehicle models offered for sale by the franchisor; and

403 (b) parts to service the repair of the new motor vehicles.

404 (4) Subsection (1)(d) does not prevent a franchisor from requiring that a franchisee
405 maintain separate sales personnel or display space.

406 (5) Upon the written request of any franchisee, a franchisor shall disclose in writing to
407 the franchisee the basis on which new motor vehicles, parts, and accessories are allocated,
408 scheduled, and delivered among the franchisor's dealers of the same line-make.

409 (6) (a) A franchisor may engage in any of the activities listed in Subsection (1)(u), for a
410 period not to exceed 12 months if:

411 (i) (A) the person from whom the franchisor acquired the interest in or control of the
412 new motor vehicle dealership was a franchised new motor vehicle dealer; and

413 (B) the franchisor's interest in the new motor vehicle dealership is for sale at a
414 reasonable price and on reasonable terms and conditions; or

415 (ii) the franchisor is engaging in the activity listed in Subsection (1)(u) for the purpose
416 of broadening the diversity of its dealer body and facilitating the ownership of a new motor
417 vehicle dealership by a person who:

418 (A) is part of a group that has been historically underrepresented in the franchisor's
419 dealer body;

420 (B) would not otherwise be able to purchase a new motor vehicle dealership;

421 (C) has made a significant investment in the new motor vehicle dealership which is
422 subject to loss;

423 (D) has an ownership interest in the new motor vehicle dealership; and

424 (E) operates the new motor vehicle dealership under a plan to acquire full ownership of
425 the dealership within a reasonable period of time and under reasonable terms and conditions.

426 (b) After receipt of the advisory board's recommendation, the executive director may,
427 for good cause shown, extend the time limit set forth in Subsection (6)(a) for an additional
428 period not to exceed 12 months.

429 (c) A franchisor who was engaged in any of the activities listed in Subsection (1)(u) in
430 this state prior to May 1, 2000, may continue to engage in that activity, but may not expand that
431 activity to acquire an interest in any other new motor vehicle dealerships or motor vehicle
432 service facilities after May 1, 2000.

433 (d) Notwithstanding Subsection (1)(u), a franchisor may own, operate, or control a new
434 motor vehicle dealership trading in a line-make of motor vehicle if:

435 (i) as to that line-make of motor vehicle, there are no more than four franchised new
436 motor vehicle dealerships licensed and in operation within the state as of January 1, 2000;

437 (ii) the franchisor does not own directly or indirectly, more than a 45% interest in the
438 dealership;

439 (iii) at the time the franchisor first acquires ownership or assumes operation or control
440 of the dealership, the distance between the dealership thus owned, operated, or controlled and
441 the nearest unaffiliated new motor vehicle dealership trading in the same line-make is not less
442 than 150 miles;

443 (iv) all the franchisor's franchise agreements confer rights on the franchisee to develop
444 and operate as many dealership facilities as the franchisee and franchisor shall agree are
445 appropriate within a defined geographic territory or area; and

446 (v) as of January 1, 2000, no fewer than half of the franchisees of the line-make within
447 the state own and operate two or more dealership facilities in the geographic area covered by
448 the franchise agreement.

449 (7) Subsection (1)(ff) does not apply to recreational vehicles.

450 (8) Subsection (1)(ff)(ii) does not prohibit a promotional or incentive program that is
451 functionally available to all competing franchisees of the same line-make in the state on
452 substantially comparable terms.

453 (9) Subsection (1)(ff)(iii) may not be construed to:

454 (a) permit provision of or access to customer information that is otherwise protected
455 from disclosure by law or by contract between a franchisor and a franchisee; or

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

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

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

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

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

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

472 Section 3. Section **13-14-204** is amended to read:

473 **13-14-204. Franchisor's obligations related to service -- Franchisor audits -- Time**
474 **limits.**

475 (1) Each franchisor shall specify in writing to each of its franchisees licensed as a new
476 motor vehicle dealer in this state:

477 (a) the franchisee's obligations for new motor vehicle preparation, delivery, and
478 warranty service on its products;

479 (b) the schedule of compensation to be paid to the franchisee for parts, work, and
480 service; and

481 (c) the time allowance for the performance of work and service.

482 (2) (a) The schedule of compensation described in Subsection (1) shall include
483 reasonable compensation for diagnostic work, as well as repair service, parts, and labor.

484 (b) Time allowances described in Subsection (1) for the diagnosis and performance of
485 warranty work and service shall be reasonable and adequate for the work to be performed.

486 (3) (a) In the determination of what constitutes reasonable compensation under this
487 section, the principal factor to be considered is the prevailing wage rates being paid by
488 franchisees in the relevant market area in which the franchisee is doing business.

489 (b) Compensation of the franchisee for warranty service work may not be less than the
490 amount charged by the franchisee for like parts and service to retail or fleet customers, if the

491 amounts are reasonable. In the case of a recreational vehicle franchisee, reimbursement for
492 parts used in the performance of warranty repairs, including those parts separately warranted
493 directly to the consumer by a recreational vehicle parts supplier, may not be less than the
494 franchisee's cost plus 20%. For purposes of this Subsection (3)(b), the term "cost" shall be that
495 same price paid by a franchisee to a franchisor or supplier for the part when the part is
496 purchased for a nonwarranty repair.

497 (4) A franchisor may not fail to:

498 (a) perform any warranty obligation;

499 (b) include in written notices of franchisor's recalls to new motor vehicle owners and
500 franchisees the expected date by which necessary parts and equipment will be available to
501 franchisees for the correction of the defects; or

502 (c) compensate any of the franchisees for repairs effected by the recall.

503 (5) If a franchisor disallows a franchisee's claim for a defective part, alleging that the
504 part is not defective, the franchisor at its option shall:

505 (a) return the part to the franchisee at the franchisor's expense; or

506 (b) pay the franchisee the cost of the part.

507 (6) (a) A claim made by a franchisee pursuant to this section for labor and parts shall
508 be paid within 30 days after its approval.

509 (b) A claim shall be either approved or disapproved by the franchisor within 30 days
510 after receipt of the claim on a form generally used by the franchisor and containing the
511 generally required information. Any claim not specifically disapproved of in writing within 30
512 days after the receipt of the form is considered to be approved and payment shall be made
513 within 30 days.

514 (7) Warranty service audits of franchisee records may be conducted by the franchisor
515 on a reasonable basis.

516 (8) A franchisee's claim for warranty compensation may ~~[not]~~ be denied ~~[except for~~
517 ~~good cause such as performance of nonwarranty repairs, lack of material documentation, fraud,~~
518 ~~or misrepresentation.]~~ only if:

519 (a) the franchisee's claim is based on a nonwarranty repair;

520 (b) the franchisee lacks material documentation for the claim;

521 (c) the franchisee fails to comply materially with specific substantive terms and

522 conditions of the franchisor's warranty compensation program; or

523 (d) the franchisor has a bona fide belief based on competent evidence that the
524 franchisee's claim is intentionally false, fraudulent, or misrepresented.

525 (9) (a) Any charge backs for warranty parts or service compensation and service
526 incentives shall only be enforceable for the [~~12-month~~] six-month period immediately
527 following the date the payment for warranty reimbursement was made by the franchisor.

528 (b) Except as provided in Subsection (9)(c), all charge backs levied by a franchisor for
529 sales compensation or sales incentives arising out of the sale or lease of a motor vehicle sold or
530 leased by a franchisee shall be compensable only if written notice of the charge back is
531 received by the franchisee within [~~12~~] six months immediately following the sooner of:

532 (i) the date when the sales incentive program terminates; or

533 (ii) the date when payment for the sales compensation or sales incentive was made by
534 the franchisor to the franchisee.

535 (c) (i) Upon an audit, the franchisor shall provide the franchisee automated or written
536 notice explaining the amount of and reason for a charge back.

537 (ii) A franchisee may respond in writing within 30 days after the notice under
538 Subsection (9)(c)(i) to:

539 (A) explain a deficiency; or

540 (B) provide materials or information to correct and cure compliance with a provision
541 that is a basis for a charge back.

542 (d) A charge back:

543 (i) may not be based on a nonmaterial error that is clerical in nature; and

544 (ii) (A) shall be based on one or more specific instances of material noncompliance
545 with the franchisor's warranty compensation program or sales incentive program; and

546 (B) may not be extrapolated from a sampling of warranty claims or sales incentive
547 claims.

548 [~~(e)~~] (e) The time limitations of this Subsection (9) do not preclude charge backs for
549 any fraudulent claim that was previously paid.

550 Section 4. Section **13-14-206** is enacted to read:

551 **13-14-206. Site-control agreements.**

552 (1) A site-control agreement entered into on or after May 11, 2010:

553 (a) may be voluntarily terminated by a franchisee, subject to Subsection (2)(a); and

554 (b) terminates immediately upon:

555 (i) a franchisor's sale, assignment, or other transfer of the right to manufacture or
556 distribute the line-make of vehicles covered by the franchisee's franchise;

557 (ii) a franchisor's ceasing to manufacture or distribute the line-make of vehicles
558 covered by the franchisee's franchise;

559 (iii) a franchisor's termination of a franchisee's franchise without cause and against the
560 franchisee's will; or

561 (iv) the failure of the franchisor or its affiliate to exercise a right of first refusal to
562 purchase the assets or ownership of the franchisee's business when given the opportunity to do
563 so under the franchise or other agreement, subject to the repayment requirements of Subsection
564 (2) if the right of first refusal arises because of the voluntary action of the franchisee.

565 (2) (a) If a franchisee voluntarily terminates a site-control agreement after the
566 franchisor has paid and the franchisee or other recipient has accepted additional specified cash
567 consideration, the site-control agreement remains valid only until the franchisee or other
568 recipient satisfies the repayment terms specified in Subsection (2)(b).

569 (b) (i) If the franchisor's additional specified cash consideration was used for the
570 construction of a building or improvement on the property that is the subject of the site-control
571 agreement, the amount of the repayment under Subsection (2)(a):

572 (A) is based on any repayment terms specified in the site-control agreement, if the
573 parties to the site-control agreement have willingly agreed to the terms; and

574 (B) may not exceed the market value of the portion of the building or improvement
575 constructed with the additional specified cash consideration paid by the franchisor, after
576 allowing for depreciation based on a market-based depreciation schedule, as determined by an
577 independent appraiser at the request of the franchisee or other recipient.

578 (ii) If the franchisor's additional specified cash consideration was not used for
579 construction of a building or improvement on the property that is the subject of the site-control
580 agreement, the amount of the repayment under Subsection (2)(a) is an equitable portion of the
581 cash consideration, as determined under any terms specified in the site-control agreement for
582 the equitable repayment following a franchisee's voluntary termination of the agreement.

583 (c) Immediately upon the repayment under Subsection (2)(b):

584 (i) the site-control agreement is terminated; and
585 (ii) the franchisor or other party that is the beneficiary under the site-control agreement
586 shall prepare and deliver to the franchisee a recordable notice of termination of:
587 (A) the site-control agreement; and
588 (B) any lien or encumbrance arising because of the site-control agreement and
589 previously recorded against the property that is the subject of the site-control agreement.

590 Section 5. Section **13-14-302** is amended to read:

591 **13-14-302. Issuance of additional franchises -- Relocation of existing franchisees.**

592 (1) Except as provided in Subsection (6), a franchisor shall provide the notice and
593 documentation required under Subsection (2) if the franchisor seeks to:

594 (a) enter into a franchise agreement establishing a motor vehicle dealership within a
595 relevant market area where the same line-make is represented by another franchisee; or

596 (b) relocate an existing motor vehicle franchisee.

597 (2) (a) If a franchisor seeks to take an action listed Subsection (1), prior to taking the
598 action, the franchisor shall, in writing, notify the advisory board and each franchisee in that
599 line-make in the relevant market area.

600 (b) The notice required by Subsection (2)(a) shall:

601 (i) specify the intended action described under Subsection (1);

602 (ii) specify the good cause on which it intends to rely for the action; and

603 (iii) be delivered by registered or certified mail or by any form of reliable delivery
604 through which receipt is verifiable.

605 (3) (a) Except as provided in Subsection (3)(c), the franchisor shall provide to the
606 advisory board and each franchisee in that line-make in the relevant market area the following
607 documents relating to the notice described under Subsection (2):

608 (i) (A) any aggregate economic data and all existing reports, analyses, or opinions
609 based on the aggregate economic data that were relied on by the franchisor in reaching the
610 decision to proceed with the action described in the notice; and

611 (B) the aggregate economic data under Subsection (3)(a)(i)(A) includes:

612 (I) motor vehicle registration data;

613 (II) market penetration data; and

614 (III) demographic data;

615 (ii) written documentation that the franchisor has in its possession that it intends to rely
616 on in establishing good cause under Section 13-14-306 relating to the notice;

617 (iii) a statement that describes in reasonable detail how the establishment of a new
618 franchisee or the relocation of an existing franchisee will affect the amount of business
619 transacted by other franchisees of the same line-make in the relevant market area, as compared
620 to business available to the franchisees; and

621 (iv) a statement that describes in reasonable detail how the establishment of a new
622 franchisee or the relocation of an existing franchisee will be beneficial or injurious to the
623 public welfare or public interest.

624 (b) The franchisor shall provide the documents described under Subsection (3)(a) with
625 the notice required under Subsection (2).

626 (c) The franchisor is not required to disclose any documents under Subsection (3)(a) if:

627 (i) the documents would be privileged under the Utah Rules of Evidence;

628 (ii) the documents contain confidential proprietary information;

629 (iii) the documents are subject to federal or state privacy laws;

630 (iv) the documents are correspondence between the franchisor and existing franchisees
631 in that line-make in the relevant market area; or

632 (v) the franchisor reasonably believes that disclosure of the documents would violate:

633 (A) the privacy of another franchisee; or

634 (B) Section 13-14-201.

635 (4) (a) Within 45 days of receiving notice required by Subsection (2), any franchisee
636 that is required to receive notice under Subsection (2) may protest to the advisory board the
637 establishment or relocation of the dealership.

638 (b) When a protest is filed, the department shall inform the franchisor that:

639 (i) a timely protest has been filed;

640 (ii) a hearing is required;

641 (iii) the franchisor may not establish or relocate the proposed dealership until the
642 advisory board has held a hearing; and

643 (iv) the franchisor may not establish or relocate a proposed dealership if the executive
644 director determines that there is not good cause for permitting the establishment or relocation
645 of the dealership.

646 (5) If multiple protests are filed under Subsection (4), hearings may be consolidated to
647 expedite the disposition of the issue.

648 (6) Subsections (1) through (5) do not apply to a relocation of an existing or successor
649 dealer to a location that is:

650 (a) within the same county and less than ~~[one]~~ two aeronautical ~~[mile]~~ miles from the
651 existing location of the existing or successor franchisee's dealership; ~~[and]~~ or

652 ~~[(b) within the same county.]~~

653 (b) further away from a dealership of a franchisee of the same line-make.

654 (7) For purposes of this section:

655 (a) relocation of an existing franchisee's dealership in excess of one mile from its
656 existing location is considered the establishment of an additional franchise in the line-make of
657 the relocating franchise;

658 (b) the reopening in a relevant market area of a dealership that has not been in
659 operation for one year or more is considered the establishment of an additional motor vehicle
660 dealership; and

661 (c) (i) except as provided in Subsection (7)(c)(ii), the establishment of a temporary
662 additional place of business by a recreational vehicle franchisee is considered the establishment
663 of an additional motor vehicle dealership; and

664 (ii) the establishment of a temporary additional place of business by a recreational
665 vehicle franchisee is not considered the establishment of an additional motor vehicle dealership
666 if the recreational vehicle franchisee is participating in a trade show where three or more
667 recreational vehicle dealers are participating.

668 Section 6. Section **13-14-307** is amended to read:

669 **13-14-307. Franchisor's obligations upon termination or noncontinuation of**
670 **franchise or line-make.**

671 (1) Upon the termination or noncontinuation of a franchise or a line-make ~~[by the~~
672 ~~franchisor]~~, the franchisor shall pay the franchisee:

673 (a) an amount calculated by:

674 ~~[(a)]~~ (i) including the franchisee's cost of ~~[new, undamaged, and]~~ unsold motor
675 vehicles that:

676 (A) are in the franchisee's inventory;

677 (B) were acquired;
678 (I) from the franchisor; or
679 (II) in the ordinary course of business from another franchisee of the same line-make
680 [representing both];
681 (C) are new, undamaged, and, except for franchisor accessories, unaltered; or
682 (D) represent the current model year at the time of termination or noncontinuation [and
683 the immediately prior model year vehicles:], or the two model years immediately before the
684 time of termination or noncontinuation;
685 (ii) reducing the amount in Subsection (1)(a)(i) by a prorated 1% for each 1,000 miles
686 over 500 miles registered on a new vehicle's odometer;
687 ~~[(i) plus]~~ (iii) adding any charges made by the franchisor, for distribution, delivery, or
688 taxes;
689 ~~[(ii) plus]~~ (iv) adding the franchisee's cost of any franchisor accessories added on the
690 vehicle, except only those recreational vehicle accessories that are listed in the franchisor's
691 wholesale product literature as options for that vehicle shall be repurchased; and
692 ~~[(iii) less]~~ (v) subtracting all allowances paid or credited to the franchisee by the
693 franchisor;
694 (b) the franchisee's cost of new and undamaged motor vehicles in the franchisee's
695 inventory of demonstrator vehicles, reduced by a prorated 1% for each 1000 miles over 500
696 miles registered on the demonstrator vehicle's odometer, except recreational vehicles whose
697 cost shall be reduced by 2% for each 1,000 miles registered on the odometer of demonstrator
698 self-propelled recreational vehicles, exclusive of miles incurred in delivery of the vehicle, and
699 the cost of demonstrator nonself-propelled recreational vehicles shall be reduced by 10% of the
700 franchisee's vehicle cost:
701 (i) plus any charges made by the franchisor for distribution, delivery, or taxes;
702 (ii) plus the franchisee's cost of any accessories added on the vehicles, except only
703 those recreational vehicle accessories that are listed in the franchisor's wholesale product
704 literature as options for that vehicle shall be repurchased; and
705 (iii) less all allowances paid or credited to the franchisee by the franchisor;
706 (c) the cost of all new, undamaged, and unsold supplies, parts, and accessories as set
707 forth in the franchisor's catalog at the time of termination or noncontinuation for the supplies,

708 parts, and accessories, less all allowances paid or credited to the franchisee by the franchisor;

709 (d) the fair market value, but not less than the franchisee's depreciated acquisition cost
710 of each undamaged sign owned by the franchisee that bears a common name, trade name, or
711 trademark of the franchisor if acquisition of the sign was recommended or required by the
712 franchisor. If a recreational vehicle franchisee has a sign with multiple manufacturers listed,
713 the franchisor is only responsible for its pro rata portion of the sign;

714 (e) the fair market value, but not less than the franchisee's depreciated acquisition cost,
715 of all special tools, equipment, and furnishings acquired from the franchisor or sources
716 approved by the franchisor that were [~~recommended or~~] required by the franchisor and are in
717 good and usable condition;

718 (f) the cost of transporting, handling, packing, and loading motor vehicles, supplies,
719 parts, accessories, signs, special tools, equipment, and furnishings;

720 (g) subject to Subsection (5), reasonable compensation to the franchisee for any cost
721 incurred pertaining to the unexpired term of a lease agreement for the dealership's existing
722 location;

723 (h) the negotiated fair market value of the dealership premises, based on the fair market
724 value of the real property, if the dealer opts to sell the dealership premises; and

725 (i) compensate the franchisee for the blue sky or goodwill of the dealership, as
726 determined in accordance with the applicable industry standards taking into consideration the
727 effect that the timing of the manufacturer's announcement of discontinuance of a line make has
728 or will have on future profitability of the dealership.

729 (2) Subsections (1)(g), (h), and (i) do not apply if a franchise is terminated:

730 (a) by the franchisor for cause as defined in Subsections 13-14-301(1)(b) and (2)(a);

731 (b) upon mutual written agreement of the franchisor and franchisee as provided in
732 Subsection 13-14-301(2)(b); or

733 (c) upon voluntary termination by the franchisee as provided in Subsection
734 13-14-301(4).

735 (3) The franchisor shall pay the franchisee the amounts specified in Subsection (1)
736 within 90 days after the tender of the property to the franchisor if the franchisee:

737 (a) has clear title to the property; and

738 (b) is in a position to convey title to the franchisor.

739 (4) If repurchased inventory, equipment, or demonstrator vehicles are subject to a
740 security interest, the franchisor may make payment jointly to the franchisee and to the holder of
741 the security interest.

742 (5) Subsection (1)(g) does not relieve the franchisee or its lessor from an obligation
743 under their lease agreement to mitigate damages.

744 (6) (a) This section does not apply to a franchisee's voluntary termination or
745 noncontinuation of its franchise that occurs as a result of the franchisee's sale of its dealership
746 business entity or substantially all of the assets of that entity to a third party if the franchisor
747 contemporaneously grants a franchise to the third party on terms and conditions that are
748 comparable to those of the terminating or noncontinuing franchise.

749 (b) Subsection (6)(a) may not be construed to impair a contractual right of a
750 terminating or noncontinuing franchisee under a franchise or related agreement with a
751 franchisor or its affiliate, including a right to return unsold parts.

752 (7) This section does not apply to a termination, cancellation, or nonrenewal of:

753 (a) a recreational vehicle franchise; or

754 (b) a line-make by a recreational vehicle franchisor.

755 Section 7. Section **13-14-307.5** is enacted to read:

756 **13-14-307.5. Termination, cancellation, or nonrenewal of a recreational vehicle**
757 **franchise agreement.**

758 (1) This section applies only to a recreational vehicle franchisee's termination,
759 cancellation, or nonrenewal of:

760 (a) a recreational vehicle franchise; or

761 (b) a recreational vehicle line-make.

762 (2) (a) A recreational vehicle franchisee may, at any time and with or without good
763 cause, terminate, cancel, or not renew its recreational vehicle franchise agreement or a
764 recreational vehicle line-make by giving 30 days' prior written notice to the recreational vehicle
765 franchisor.

766 (b) A franchisee has the burden of showing that a termination, cancellation, or
767 nonrenewal is for good cause.

768 (c) Good cause for a franchisee's termination, cancellation, or nonrenewal is considered
769 to exist if:

- 770 (i) the franchisor is convicted of or enters a plea of nolo contendere to a felony;
771 (ii) the business operations of the franchisor are:
772 (A) abandoned; or
773 (B) closed for 10 consecutive business days, unless the closing is due to an act of God,
774 a strike, a labor difficulty, or another cause over which the franchisor has no control;
775 (iii) the franchisor makes a misrepresentation that materially and adversely affects the
776 business relationship with the recreational vehicle franchisee;
777 (iv) a material violation of this chapter is not cured within 30 days after the franchisee
778 gives 30 days' written notice of the violation to the recreational vehicle franchisor; or
779 (v) the recreational vehicle franchisor:
780 (A) becomes insolvent;
781 (B) declares bankruptcy; or
782 (C) makes an assignment for the benefit of creditors.
783 (3) If the franchisee terminates, cancels, or does not renew the recreational vehicle
784 franchise agreement or line-make for cause, the franchisor shall, at the franchisee's election and
785 within 45 days after termination, cancellation, or nonrenewal, repurchase:
786 (a) (i) all new, unaltered recreational vehicles, including demonstrators, that the
787 franchisee acquired from the franchisor within 18 months before the date of the termination,
788 cancellation, or nonrenewal; and
789 (ii) for a repurchase price equal to 100% of the original net invoice cost, including
790 transportation, reduced by:
791 (A) any applicable rebates and discounts to the franchisee; and
792 (B) the cost to repair any damage to a repurchased recreational vehicle, if the vehicle is
793 damaged after delivery to the franchisee but before repurchase occurs;
794 (b) (i) all undamaged accessories and proprietary parts sold by the recreational vehicle
795 franchisor to the franchisee within one year before termination, cancellation, or nonrenewal, if
796 accompanied by the original invoice; and
797 (ii) for a repurchase price equal to 100% of the original net invoice cost, plus an
798 additional five percent of the original net invoice cost to compensate the franchisee for packing
799 and shipping the returned accessories and parts to the franchisor; and
800 (c) (i) any properly functioning diagnostic equipment, special tools, current signage,

801 and other equipment and machinery that:
802 (A) the franchisee purchased:
803 (I) from the franchisor within five years before termination, cancellation, or
804 nonrenewal; and
805 (II) at the franchisor's request or because of the franchisor's requirement; and
806 (B) are no longer usable in the normal course of the franchisee's ongoing business, as
807 the franchisee reasonably determines; and
808 (ii) for a repurchase price equal to 100% of the original net cost that the franchisee
809 paid, plus any applicable shipping charges and sales taxes.
810 (4) A recreational vehicle franchisor shall pay the franchisee all money due under
811 Subsection (3) within 30 days after the franchisor's receipt of the repurchased items.

S.B. 129 2nd Sub. (Salmon) - New Motor Vehicle Franchise Amendments

Fiscal Note

2010 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals or local governments. Businesses could be affected by this legislation, but the amount cannot be quantified.
