

IC 9-32-15

Chapter 15. Succession to Franchise by Designated Family Members

IC 9-32-15-1

Application

Sec. 1. This chapter does not apply to a franchise if:

- (1) the franchise is granted to a dealer other than a new motor vehicle dealer; and
- (2) the franchise or other written document filed with the franchisor includes the franchisee's designation of a successor to the franchise who is not the:
 - (A) spouse of the franchisee;
 - (B) child of the franchisee;
 - (C) grandchild of the franchisee;
 - (D) spouse of a:
 - (i) child; or
 - (ii) grandchild;of the franchisee;
 - (E) parent of the franchisee; or
 - (F) sibling of the franchisee.

As added by P.L.92-2013, SEC.78.

IC 9-32-15-2

Succession to franchise

Sec. 2. A designated family member of a deceased or incapacitated franchisee may succeed the franchisee under the existing franchise if:

- (1) the manufacturer or distributor determines, subject to section 3 of this chapter, that the existing franchise should be honored; and
- (2) the designated family member complies with section 4 of this chapter.

As added by P.L.92-2013, SEC.78.

IC 9-32-15-3

Good cause to refuse to honor franchise

Sec. 3. A manufacturer or distributor may refuse to honor the succession of an existing franchise under section 2 of this chapter only for good cause.

As added by P.L.92-2013, SEC.78.

IC 9-32-15-4

Qualification of designated family member to succeed to the franchise

Sec. 4. To qualify under section 2 of this chapter to succeed a franchisee under the existing franchise, a designated family member must do all the following:

- (1) Not later than one hundred twenty (120) days after the franchisee's death or disability, give the manufacturer or distributor written notice of the designated family member's

intention to succeed to the franchise.

(2) Agree to be bound by all terms and conditions of the existing franchise.

(3) Meet the criteria generally applied at the time of the death or incapacity of the franchisee by the manufacturer or distributor in qualifying new motor vehicle dealers as franchisees.

(4) If requested by the manufacturer or distributor, promptly supply personal and financial data that is reasonably necessary for the manufacturer or distributor to determine if the existing franchise should be honored.

As added by P.L.92-2013, SEC.78.

IC 9-32-15-5

Notice of refusal to honor franchise

Sec. 5. (a) Not later than sixty (60) days after receipt of:

(1) notice from a designated family member under section 4(1) of this chapter; or

(2) requested personal or financial data under section 4(4) of this chapter;

a manufacturer or distributor that determines that good cause exists for refusing to honor an existing franchise shall serve notice of the determination on the designated family member.

(b) The notice required under subsection (a) must state the following:

(1) The specific grounds for the manufacturer's or distributor's determination.

(2) The date on which the existing franchise will be discontinued, which must be at least ninety (90) days after the date the notice is served.

(c) If notice of the manufacturer's determination is not served within the time specified in subsection (a) and does not comply with subsection (b), the franchise must be honored and is not subject to discontinuance under this chapter.

As added by P.L.92-2013, SEC.78.