

190A.070 Conditions applicable to proposed sale of business assets, stock transfer, or other transaction that will result in a change of ownership of a new recreational vehicle dealer except in cases of death, incapacity, or retirement of designated principal of dealer -- Conditions applicable to those cases.

- (1) All of the following conditions shall apply to a proposed sale of the business assets, transfer of stock, or other transaction that will result in a change of ownership of a new recreational vehicle dealer, except a transaction described in subsection (2) of this section:
 - (a) The dealer shall provide written notice to the manufacturer at least ninety (90) days prior to the proposed closing of the transaction;
 - (b) If the dealer is not in breach of the dealer agreement or in violation of the provisions of this chapter at the time the dealer provides the notice described in paragraph (a) of this subsection, the manufacturer shall not object to the proposed transaction, unless:
 1. The prospective transferee was previously a party to a dealer agreement with the manufacturer that the manufacturer terminated;
 2. In the proceeding ten (10) years, the prospective transferee was convicted of a felony crime or any crime of fraud, deceit, or moral turpitude;
 3. The prospective transferee does not have an application for a recreational vehicle dealer license pending with the Motor Vehicle Commission or a tentative dealer agreement with a recreational vehicle manufacturer to conduct business as a dealer in this state relative to the sale or transfer of the dealership;
 4. The prospective transferee does not have an active line of credit sufficient to purchase recreational vehicles from the manufacturer according to the terms of the dealer agreement; or
 5. In the preceding ten (10) years, the prospective transferee was bankrupt or insolvent, made a general assignment for the benefit of creditors, or a receiver, trustee, or conservator was appointed to take possession of the business or property of the prospective transferee;
 - (c) If the manufacturer objects to the proposed transaction, the manufacturer shall give written notice of its objection, including the reasons for the objection, to the dealer within thirty (30) days after receiving the notice described in paragraph (a) of this subsection. If the manufacturer does not give notice of an objection within the thirty (30) day time period, the proposed transaction shall be considered approved by the manufacturer; and
 - (d) For purposes of paragraph (c) of this subsection, the manufacturer has the burden of demonstrating why the manufacturer objects to the proposed transaction.
- (2) All of the following conditions apply concerning the death, incapacity, or retirement of the designated principal of a dealer:
 - (a) A dealer agreement shall include a designated principal of the dealer. A

dealer agreement may identify a family member as the successor to the principal in the event of the death, incapacity, or retirement of the designated principal or include a succession plan of the dealer. A dealer may at any time change a designation or succession plan by providing written notice to the manufacturer;

- (b) The manufacturer shall not prevent or refuse to honor the succession to a dealership by a family member of the deceased, incapacitated, or retired designated principal of that dealer unless the manufacturer previously provided written notice to the dealer of any objections to the succession plan of the dealer within thirty (30) days after receiving the succession plan of the dealer or any modification of the succession plan of the dealer;
- (c) Except as provided in paragraph (e) of this subsection, unless the dealer is in breach of the dealer agreement, a manufacturer shall not object to the succession to a dealership by a family member of the deceased, incapacitated, or retired designated principal, unless:
 - 1. In the preceding ten (10) years, the successor was convicted of a felony crime or any crime of fraud, deceit, or moral turpitude;
 - 2. In the preceding ten (10) years, the successor was bankrupt, insolvent, or made an assignment for the benefit of creditors;
 - 3. The successor was previously a party to a dealer agreement with the manufacturer that the manufacturer terminated for a breach of a dealer agreement;
 - 4. The successor does not have an active line of credit sufficient to purchase recreational vehicles from the manufacturer according to the terms of the dealer agreement; or
 - 5. The successor does not have an application for a recreational vehicle dealer license pending before the Motor Vehicle Commission or a tentative dealer agreement with a recreational vehicle manufacturer to conduct business as a dealer in this state;
- (d) The manufacturer has the burden of proof regarding any objection to the succession to a dealership by a family member of the deceased, incapacitated, or retired designated principal; and
- (e) The consent of the manufacturer shall be required for the succession to a dealership by a family member of the deceased, incapacitated, or retired designated principal if the succession involves a relocation of the business or an alteration of the terms and conditions of the dealer agreement.

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