

HB 549 -- Marine Franchise Dealers

Sponsor: Whorton

This bill prohibits marine manufacturers from terminating or renewing a dealership agreement or substantially changing the competitive circumstances of a dealership without good cause. The bill spells out circumstances that are considered good cause.

Manufacturers will be required to provide a notice at least 120 days prior to any termination, cancellation, or nonrenewal of a dealership agreement. A dealer will have 120 days to cure any claimed deficiency. A dealer must provide notice of intent to cure deficiencies within the 120-day period. Termination will take effect 30 days after the dealer's receipt of the manufacturer's notice, unless the dealer has new inventory on hand. In that case, upon dealer request, it will take effect upon the sale of the remaining inventory but no later than 120 days from the manufacturer's notice of termination.

Dealers may terminate a dealer agreement at any time by giving written notice to the manufacturer at least 90 days prior to the effective date specified for termination.

On change of ownership, dealers must give a 30-day written notice to the manufacturer. Manufacturers cannot refuse a proposed change or sale and may not disapprove or withhold approval unless the manufacturer can show its decision is based on a reasonable criterion such as business experience, moral character, financial qualifications, or criminal record. Manufacturers have 30 days to provide written notice of rejection of a proposed change or sale.

The bill provides for legal action upon unlawful termination or failure of renewal of a dealership.