

MOTOR FUEL DISTRIBUTION ACT (EXCERPT)
Act 134 of 1990

445.1803 Death of franchisee; devolution of franchise and lease or other agreement to designated successor or secondary designee; standards; limitation; notice; applicability of section.

Sec. 3.

(1) Following the death of a franchisee, who is not a trial franchise retailer, the franchise and any lease or other agreement in connection with the franchise shall devolve to the designated successor or secondary designee of the franchisee if prior to the franchisee's death the franchisee notified the franchisor in writing of the name, address, and relationship of the designated successor and secondary designee. The designated successor and secondary designee shall meet the reasonable standards normally required by the franchisor of a prospective franchisee at the time of the franchisee's death.

(2) The franchise shall devolve to the secondary designee in the event the designated successor is unable to operate the franchise.

(3) The designated successor and secondary designee shall be limited to, unless otherwise agreed to by the parties, the franchisee's surviving spouse, adult child, stepchild, son-in-law, or daughter-in-law. The designated successor or secondary designee shall not be a previously terminated or nonrenewed retailer of the franchisor.

(4) Within 30 days of the death of the franchisee, the designated successor or secondary designee shall give written notice to the franchisor of his or her election to assume and to operate the franchise, and shall promptly provide any information reasonably requested by the franchisor. If the designated successor or secondary designee fails to give the notice, the franchisor gives the designated successor or secondary designee written notice, specifying the reasons, that the designated successor or secondary designee fails to meet at least 1 of the reasonable standards normally required by the franchisor of a prospective franchisee, or the franchise has not been operated in accordance with the terms and conditions contained in the franchise by the franchisee, then the designated successor or secondary designee shall have no further rights or obligations under the franchise.

(5) This section shall not apply to a franchise where a mutual termination has been executed or an outstanding notice of termination or nonrenewal has been given by the franchisor prior to the death of the franchisee.

History: 1990, Act 134, Eff. Oct. 1, 1990