

RECREATIONAL VEHICLE FRANCHISE ACT (EXCERPT)
Act 33 of 2009

***** 445.1925.new THIS NEW SECTION IS EFFECTIVE DECEMBER 1, 2009 *****

445.1925.new Sale of recreational vehicles; dealer agreement required; dealer's area of sales responsibility; sale outside of designated area; principal of dealer; designation or successor plan.

Sec. 5. (1) A manufacturer shall not sell a recreational vehicle in the state to or through a dealer unless the manufacturer has a dealer agreement with the dealer that meets the requirements of this act and is signed by both parties.

(2) Except as provided in subsection (4), a dealer shall not sell a new recreational vehicle in this state unless the dealer has a dealer agreement with a manufacturer of that recreational vehicle that meets the requirements of this act and is signed by both parties.

(3) All of the following apply to a dealer's area of sales responsibility included in a dealer agreement between a manufacturer and a dealer:

(a) The manufacturer shall designate in the dealer agreement the area of sales responsibility exclusively assigned to the dealer.

(b) The manufacturer shall not change the dealer's area of sales responsibility or establish another dealer for the same line-make in that area during the term of the dealer agreement.

(c) If the dealer enters into an agreement to sell any recreational vehicles that compete with the recreational vehicles included in the dealer agreement, or enters into an agreement to increase a preexisting commitment to sell any recreational vehicles that compete with the recreational vehicles included in the dealer agreement, while the dealer agreement is in place, the manufacturer may revise the dealer's area of sales responsibility if both of the following are met:

(i) The dealer agreement does not authorize or permit the dealer to enter into that subsequent agreement.

(ii) If, in the reasonable opinion of the manufacturer, the market penetration of the manufacturer's products is jeopardized by that subsequent agreement.

(d) The area of sales responsibility is not subject to review or change in the 1-year period after the date of the first delivery of new recreational vehicles to the dealer under the initial dealer agreement.

(4) A dealer may sell recreational vehicles outside of its designated area of sales responsibility if all of the following are met:

(a) If required under section 248(10) of the Michigan vehicle code, 1949 PA 300, MCL 257.248, the dealer has obtained a separate or supplemental license to sell those recreational vehicles.

(b) The sales meet 1 of the following:

(i) If the sales are off-premises sales that take place at a location in another dealer's designated area of sales responsibility, the dealer obtains in advance of the off-premises sales a written agreement that meets all of the following:

(A) Is signed by the dealer, the manufacturer of the recreational vehicles the dealer intends to sell at that location, and the other dealer.

(B) Designates the recreational vehicles to be offered for sale.

(C) Includes the time period for the off premises sales.

(D) Affirmatively authorizes the sale of the designated recreational vehicles.

(ii) The sales are off-premises sales that take place at a location that is not in another dealer's same line-make designated area of sales responsibility.

(iii) The sales are off-premises sales that take place in conjunction with a public vehicle show in which more than 3 dealers are participating and that is predominantly funded by manufacturers or sponsored by a recreational vehicle trade association.

(5) A dealer agreement must include a designated principal of the dealer.

(6) For purposes of section 15, a dealer agreement may identify a family member as the successor of the principal designated under subsection (5) or include that principal's succession plan. A dealer may at any time change a designation or succession plan made in the dealer agreement by providing written notice to the manufacturer.

History: 2009, Act 33, Eff. Dec. 1, 2009.