

80E.11 SURVIVORSHIP.

Subdivision 1. **Authorization.** Any designated family member of a deceased or incapacitated owner of a new motor vehicle dealer may succeed to the ownership of the new motor vehicle dealer under the existing franchise or distribution agreement: (a) if the designated family member gives the manufacturer, distributor, factory branch, or importer of new motor vehicles written notice of the intention to succeed to ownership of the dealership within 120 days of the owner's death or incapacity; (b) if the designated family member agrees to be bound by all of the terms and conditions of the existing franchise; and (c) unless there exists good cause for refusal to honor the succession on the part of the manufacturer, factory branch, distributor, or importer.

Subd. 2. **Personal and financial data.** As soon as possible after designating a family member pursuant to this section, the dealer shall inform the manufacturer, factory branch, distributor, or importer of the designation and, upon request, shall provide personal and financial data that is reasonably necessary to determine whether the succession should be honored. Failure to inform the manufacturer, factory branch, distributor or importer shall not affect the right of the designee to succeed to ownership of the dealership. At the time of serving notice under subdivision 1, the designated family member shall provide, upon the request of the manufacturer, distributor, factory branch, or importer, a current update of the personal and financial data described above.

Subd. 3. **Notice of discontinuance or refusal to honor succession.** If a manufacturer, distributor, factory branch, or importer believes that good cause exists for refusing to honor the succession to the ownership and operation of a new motor vehicle dealer by a family member of a deceased or incapacitated owner of a new motor vehicle dealer under the existing franchise agreement, the manufacturer, distributor, factory branch, or importer may, within 60 days after receipt of the personal and financial data requested under subdivision 2, serve notice upon the designated family member of its refusal to honor the succession and of its intent to discontinue the existing franchise agreement with the new motor vehicle dealer no sooner than 90 days from the date the notice is served.

Subd. 4. **Contents of notice.** The notice must state the specific grounds for the refusal to honor the succession and discontinue the existing franchise agreement with the new motor vehicle dealer.

Subd. 5. **Effect of notice not timely served.** If notice of refusal and discontinuance is not timely served upon the family member, the franchise agreement shall continue in effect subject to termination only as otherwise permitted by sections 80E.01 to 80E.17.

Subd. 6. **Burden of proof.** In determining whether good cause for the refusal to honor the succession exists, the manufacturer, distributor, factory branch, or importer has the burden of

proving that the successor is a person who is not of good moral character or does not meet the franchisor's existing and reasonable standards and, considering the volume of sales and service of the new motor vehicle dealer, uniformly applied minimum business experience standards in the market area.

Subd. 7. **Succession agreements.** Notwithstanding the foregoing, in the event the new motor vehicle dealer and franchisor have duly executed an agreement concerning succession rights prior to the dealer's death, the agreement shall be observed, even if it designates an individual other than the surviving spouse or heirs of the franchised motor vehicle dealer.

History: 1981 c 59 s 12; 1982 c 452 s 6,7