80E.07 CANCELLATION, TERMINATION, OR NONRENEWAL; LIMITATIONS.

Subdivision 1. **Circumstances not constituting good cause.** Notwithstanding the terms of any franchise agreement or waiver to the contrary, the following examples represent circumstances which do not by themselves constitute good cause for the termination, cancellation, or nonrenewal of a franchise:

(a) a change of ownership of the new motor vehicle dealer's dealership. This paragraph does not authorize any change in ownership which would have the effect of the sale of the franchise without the manufacturer's or distributor's consent, but consent shall not in any case be unreasonably withheld. The burden of establishing the reasonableness is on the franchisor;

(b) the fact that the new motor vehicle dealer refused to purchase or accept delivery of any new motor vehicle parts, accessories, or any other commodity or services not ordered by the new motor vehicle dealer, other than parts necessary to conduct recall campaigns or perform warranty service;

(c) the fact that the new motor vehicle dealer owns, invests in, participates in the management of, holds a license for the sale of another make or line of new motor vehicle, or has established another make or line of new motor vehicle in the same dealership facilities as those of the manufacturer; provided, that the new motor vehicle dealer maintains a reasonable line of credit for each make or line of new motor vehicle, and that the new motor vehicle dealer remains in substantial compliance with the terms and conditions of the franchise and with any reasonable capital, credit, or facilities' requirements of the manufacturer; or

(d) a change in the location of the new motor vehicle dealership. This paragraph does not authorize a change in location without the manufacturer's or distributor's consent, but consent shall not in any case be unreasonably withheld. The burden of establishing reasonableness is on the franchisor.

Subd. 2. **Burden of proof.** The manufacturer has the burden of proving that it acted in good faith; that the notice requirements have been complied with; and that there was good cause for the franchise termination, cancellation, or nonrenewal.

History: *1981 c 59 s 8; 1982 c 452 s 2; 1988 c 611 s 5*