

§1291. Transfer of business

1. Transfer. A supplier may not unreasonably withhold or delay consent to any transfer of the dealer's business or transfer of the stock or other interest in the dealership, whenever the dealer to be substituted meets the material and reasonable qualifications and standards required of its dealers. If a supplier determines that a proposed transferee does not meet its qualifications and standards, it shall give the dealer written notice thereof, stating the specific reasons for withholding consent. A prospective transferee may not be disqualified from being a dealer because it is a publicly held corporation. A supplier has 90 days to consider a dealer's request to make a transfer under this subsection.

[PL 2011, c. 236, §13 (AMD); PL 2011, c. 236, §18 (AFF).]

2. Transfer to family member or principal owner. Notwithstanding subsection 1, a supplier may not withhold consent to, or in any manner retain a right of prior approval of, the transfer of the dealer's business to a member or members of the family of the dealer or the principal owner of the dealership. As used in this subsection, "family" means and includes the spouse, parent, siblings, children, stepchildren and lineal descendants, including those by adoption, of the dealer or principal owner of the dealership.

[PL 2011, c. 236, §14 (AMD); PL 2011, c. 236, §18 (AFF).]

3. Assume obligations. Whenever a transfer of a dealer's business occurs, the transferee shall assume all the obligations imposed on and succeed to all the rights held by the selling dealer by virtue of any agreement, consistent with this chapter, entered into prior to the transfer between the selling dealer and one or more suppliers.

[PL 1995, c. 462, Pt. A, §22 (NEW); PL 1995, c. 462, Pt. A, §23 (AFF).]

4. Burden of proof. In any dispute as to whether a supplier has denied consent in violation of this section, the supplier has the burden of proving a substantial and reasonable justification for the denial of consent.

[PL 1995, c. 462, Pt. A, §22 (NEW); PL 1995, c. 462, Pt. A, §23 (AFF).]

SECTION HISTORY

PL 1995, c. 462, §A22 (NEW). PL 1995, c. 462, §A23 (AFF). PL 2011, c. 236, §§13, 14 (AMD). PL 2011, c. 236, §18 (AFF).

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