

190.043 Refusal of manufacturer or distributor to honor succession.

- (1) If a manufacturer or distributor believes that good cause exists for refusing to honor the succession to the ownership of a new motor vehicle dealership by a family member of a deceased or incapacitated owner of a new motor vehicle dealership under the existing franchise agreement, the manufacturer or distributor may, not more than sixty (60) days following the receipt of:
 - (a) Notice of the designated family member's intent to succeed to the ownership of the new motor vehicle dealership; or
 - (b) Any personal or financial data which it has requested;serve upon the designated family member and the commission, notice of its refusal to honor the succession and its intent to discontinue the existing franchise with the dealer no sooner than ninety (90) days from the date such notice is served.
- (2) The notice provided in subsection (1) of this section must state the specific grounds for the refusal to honor the succession and of its intent to discontinue the existing franchise with the new motor vehicle dealer no sooner than ninety (90) days from the date such notice is served.
- (3) If notice of refusal and discontinuance as provided in subsection (1) of this section is not timely served upon the family member, the franchise shall continue in effect subject to termination only as otherwise permitted by KRS 190.045.
- (4) 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 before the commission 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 dealership, the uniformly applied business experience standards in the market area.

Effective: July 15, 1996

History: Amended 1996 Ky. Acts ch. 111, sec. 4, effective July 15, 1996. -- Created 1982 Ky. Acts ch. 373, sec. 11, effective July 15, 1982.