

**REGULATION OF MOTOR VEHICLE MANUFACTURERS, DISTRIBUTORS, WHOLESALERS,
AND DEALERS (EXCERPT)
Act 118 of 1981**

445.1573 Requiring dealer to perform certain duties prohibited.

Sec. 13. A manufacturer shall not require any new motor vehicle dealer in this state to do any of the following:

(a) Order or accept delivery of any new motor vehicle, a part or accessory of a new motor vehicle, equipment, or any other commodity not required by law that is not voluntarily ordered by the new motor vehicle dealer. This section does not prevent the manufacturer from requiring that new motor vehicle dealers carry a reasonable inventory of models offered for sale by the manufacturer.

(b) Order or accept delivery of any new motor vehicle with special features, accessories, or equipment not included in the list price of the new motor vehicle as publicly advertised by the manufacturer.

(c) Participate monetarily in any advertising campaign or contest, purchase any promotional materials, display devices, or display decorations or materials, or pay or assume directly in connection with the sale of a new motor vehicle any part of the cost of a refund, rebate, or discount made by or lawfully imposed by the manufacturer to or in favor of a consumer, unless voluntarily agreed to by the dealer.

(d) Enter into any agreement with the manufacturer or do any other act prejudicial to the new motor vehicle dealer by threatening to terminate a dealer agreement or any contractual agreement or understanding existing between the dealer and the manufacturer. Notice in good faith to any dealer of the dealer's violation of any terms or provisions of the dealer agreement does not constitute a violation of this act.

(e) Change the capital structure of the new motor vehicle dealership or the means by or through which the dealer finances the operation of the dealership, if the dealership at all times meets any reasonable capital standards determined by the manufacturer in accordance with uniformly applied criteria.

(f) Refrain from participation in the management of, investment in, or the acquisition of, any other line of new motor vehicles or related products at or in any of the following:

(i) At a location different from the location used by the dealer for the sale or service of new motor vehicles or related products of the manufacturer, if the dealer maintains a reasonable line of credit for each make or line of vehicle, remains in compliance with reasonable facilities requirements, remains in substantial compliance with capital requirements, and makes no change in the principal management of the dealer.

(ii) In facilities at the same location as, but separated from, the facilities used by the dealer for the sale or service of new motor vehicles or related products of the manufacturer, if the dealer maintains a reasonable line of credit for each make or line of vehicle, remains in compliance with minimum space requirements and reasonable facilities requirements, remains in substantial compliance with capital requirements, and does not make a change in the principal management of the dealer.

(iii) Unless the manufacturer otherwise objects based on other reasonable business considerations, in the same facilities used by the dealer for the sale or service of new motor vehicles or related products of the manufacturer, if the dealer maintains a reasonable line of credit for each make or line of vehicle, remains in compliance with reasonable facilities requirements, remains in substantial compliance with capital requirements, and does not make a change in the principal management of the dealer. The manufacturer has the burden of proving reasonable business considerations for purposes of this subparagraph.

(g) Change the location of the new motor vehicle dealership or make any substantial alterations to the dealership premises, if changing the location or making the alterations is unreasonable.

(h) Prospectively assent to a release, assignment, novation, waiver, or estoppel that would relieve any person from liability imposed by this act; require that any dealer agreement be governed by the laws of a state other than this state; or require referral of any controversy between a new motor vehicle dealer and a manufacturer to a person other than the duly constituted courts of this state, or of the United States located in this state, if the referral would be binding on the new motor vehicle dealer. This subdivision does not apply to an agreement between the parties, made at the time of a controversy, to refer the controversy to a court of the United States located outside this state or agree at the time of an arbitration to conduct the arbitration either in or outside of this state. A provision in a dealer agreement that violates this subdivision is void and unenforceable.

History: 1981, Act 118, Imd. Eff. July 19, 1981;—Am. 1998, Act 456, Imd. Eff. Dec. 30, 1998;—Am. 2010, Act 141, Imd. Eff. Aug. 4, 2010.