

57-16-9.1. Succession to motorcycle dealership.

A. A manufacturer, distributor or representative shall not prevent or refuse to give effect to the succession to ownership or management control of a motorcycle dealership upon the death or incapacity of the dealer by the surviving spouse, heir, legatee or devisee nor shall the manufacturer, distributor or representative interfere, prevent or hinder, either directly or indirectly, the continuance of the business by reason of such succession, except as otherwise provided in this act.

B. Any designated family member of a deceased or incapacitated dealer may succeed the motorcycle dealer in ownership or management control under the existing agreement; provided that the designated family member provides notice to the manufacturer, distributor or representative, in writing by registered mail, of the intention to succeed to the dealership within one hundred and twenty days after the dealer's death or incapacity and the successor agrees to be bound by all the terms of the original agreement. The successor must meet the reasonable criteria applied by the manufacturer, distributor or representative to new dealers.

C. The rejection of succession, without good cause, shall constitute an unfair termination or cancellation, regardless of the terms or provisions of the franchise or selling agreement. If the manufacturer, distributor or representative believes that good cause exists for rejection, such manufacturer, distributor or representative shall provide notice to the successor, in writing by registered mail within sixty days of the receipt of the notice of intention to succeed. In no event shall the contractual term of any franchise or selling agreement expire, without the written consent of the successor, prior to the expiration of at least ninety days following such written notice. During the ninety-day period the designated family member or successor may petition a court to modify such ninety-day stay or to extend it pending a final determination of such proceedings on the merits. The court shall have authority to grant preliminary and final injunctive relief.

D. A motorcycle dealer may designate any person as the successor by written instrument filed with the manufacturer, distributor or representative and such written instrument shall be controlling.