

FARM AND UTILITY EQUIPMENT ACT (EXCERPT)
Act 341 of 1984

445.1457a Notice of termination, cancellation, nonrenewal, or substantial change in competitive circumstances.

Sec. 7a. (1) A supplier shall not terminate, cancel, fail to renew, or substantially change the competitive circumstances of an agreement without good cause. A supplier shall provide a dealer at least 90 days' prior written notice of termination, cancellation, nonrenewal, or substantial change in competitive circumstances. The notice shall state the reasons or deficiencies for the action, and the dealer has 90 days to submit a plan to correct the stated reasons or deficiencies that is acceptable to the supplier or to correct the stated reasons or deficiencies. Failure by a dealer to comply with the requirements imposed upon the dealer by the supplier's agreement shall be cause for termination, provided the requirements are not different from those requirements imposed by the supplier on other similarly situated equipment dealers within the state.

(2) The notice described in subsection (1) shall state all the reasons for termination, cancellation, nonrenewal, or substantial change in competitive circumstances and shall provide that the dealer has 90 days in which to rectify any claimed deficiency. If a plan to rectify is submitted or the deficiency is rectified within 90 days, the notice is considered void.

(3) The notice provisions of this section shall not apply if the reason for termination, cancellation, or nonrenewal is insolvency, the occurrence of an assignment for the benefit of creditors, bankruptcy, or material misrepresentation and falsification of records. If the reason for termination, cancellation, nonrenewal, or substantial change in competitive circumstances is nonpayment of sums due under the agreement, the dealer shall be entitled to written notice of default in payment and shall have 10 days from the date of delivery of posting of the notice in which to remedy the default. A supplier shall be liable to a dealer for damages caused to the dealer by the supplier's breach of subsection (1).

History: Add. 1995, Act 86, Imd. Eff. June 20, 1995.