

LEGISLATIVE BILL 327

Approved by the Governor February 20, 1987

Introduced by Lamb, 43

AN ACT relating to motor vehicles; to amend section 60-1420, Reissue Revised Statutes of Nebraska, 1943; to provide for the termination of franchises for the sale of motor vehicles as prescribed; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 60-1420, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

60-1420. Notwithstanding the terms, provisions or conditions of any agreement or franchise (1) Except as provided in subsection (2) of this section, no franchisor shall terminate or refuse to continue any franchise unless the franchisor has first established, in a hearing held under the provisions of this act pursuant to section 60-1425, that:

(1) (a) The franchisor has good cause for termination or noncontinuance; and

(2) (b) Upon termination or noncontinuance, another franchise in the same line-make will become effective in the same community, without diminution of the franchisee's service formerly provided, or that the community cannot be reasonably expected to support such a dealership.

(2) Upon providing good and sufficient evidence to the board, except that a franchisor may terminate a franchise without such hearing (a) for a particular line-make if the franchisor discontinues that line-make, (b) and a franchisor may terminate a franchise if the franchisee's license as a motor vehicle, combination motor vehicle and trailer, motorcycle, or trailer dealer is revoked pursuant to the provisions of this act Chapter 60, article 14, or (c) upon a mutual written agreement of the franchisor and franchisee.

Sec. 2. That original section 60-1420, Reissue Revised Statutes of Nebraska, 1943, is repealed.