

## CHAPTER 206-B

### PERSONAL SPORTS MOBILE MANUFACTURERS, DISTRIBUTORS AND DEALERS

#### §1241. Short title

This chapter may be known and cited as the "Personal Sports Mobile Business Practices Act." [PL 1997, c. 473, §3 (NEW).]

#### SECTION HISTORY

PL 1997, c. 473, §3 (NEW).

#### §1242. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 1997, c. 473, §3 (NEW).]

**1. Designated family member.** "Designated family member" means the spouse, child, grandchild, parent or sibling of the owner of a new personal sports mobile dealership who in the case of the owner's death is entitled to inherit the ownership interest in the new personal sports mobile dealership under the terms of the owner's will or who in the case of an incapacitated owner of a new personal sports mobile dealership has been appointed by a court as the legal representative of the new personal sports mobile dealer's property.  
[PL 1997, c. 473, §3 (NEW).]

**2. Distributor branch.** "Distributor branch" means a branch office maintained by a distributor or wholesaler that sells or distributes new or used personal sports mobiles to personal sports mobile dealers.  
[PL 1997, c. 473, §3 (NEW).]

**3. Distributor representative.** "Distributor representative" means a representative employed by a distributor branch, distributor or wholesaler.  
[PL 1997, c. 473, §3 (NEW).]

**4. Distributor or wholesaler.** "Distributor" or "wholesaler" means any person that sells or distributes new or used personal sports mobiles to personal sports mobile dealers or that maintains distributor representatives within this State.  
[PL 1997, c. 473, §3 (NEW).]

**5. Factory branch.** "Factory branch" means a branch maintained by a manufacturer that manufactures or assembles personal sports mobiles for sale to distributors or personal sports mobile dealers or that is maintained for directing and supervising the representatives of the manufacturer.  
[PL 1997, c. 473, §3 (NEW).]

**6. Factory representative.** "Factory representative" means a representative employed by a manufacturer or employed by a factory branch for the purpose of making or promoting the sale of personal sports mobiles or for contracting with, supervising, servicing or instructing personal sports mobile dealers or prospective personal sports mobile dealers.  
[PL 1997, c. 473, §3 (NEW).]

**7. Franchise.** "Franchise" means an oral or written arrangement in which there is a community of interest in the marketing of personal sports mobiles or services related to personal sports mobiles at wholesale, retail, leasing or otherwise. The franchise may be for a definite or indefinite time period in which a manufacturer, distributor or wholesaler grants to a personal sports mobile dealer a license to use a trade name, service mark or related characteristic.

[PL 1997, c. 473, §3 (NEW).]

**8. Franchisee.** "Franchisee" means a personal sports mobile dealer to whom a franchise is offered or granted.

[PL 1997, c. 473, §3 (NEW).]

**9. Franchisor.** "Franchisor" means a manufacturer, distributor or wholesaler who grants a franchise to a personal sports mobile dealer.

[PL 1997, c. 473, §3 (NEW).]

**10. Fraud.** "Fraud" includes, in addition to its normal legal connotation, a misrepresentation in any manner, whether intentionally false or due to gross negligence of a material fact, a promise or representation not made honestly and in good faith and an intentional failure to disclose a material fact.

[PL 1997, c. 473, §3 (NEW).]

**11. Good faith.** "Good faith" means honesty in fact and the observation of reasonable commercial standards of fair dealing in the trade.

[PL 2021, c. 676, Pt. A, §17 (AMD).]

**12. Manufacturer.** "Manufacturer" means any person, resident or nonresident, that manufactures or assembles new personal sports mobiles or imports for distribution through distributors or any person, resident or nonresident, that is controlled by the manufacturer. The term "manufacturer" includes the terms "franchisor," "distributor," "distributor branch," "wholesaler," "factory branch" and "factory representative."

[PL 1997, c. 473, §3 (NEW).]

**13. New personal sports mobile.** "New personal sports mobile" means a personal sports mobile that has not been sold previously to any person except a distributor or wholesaler or personal sports mobile dealer for resale. "New personal sports mobile" also means a personal sports mobile that has not been registered in this State or any other state or for which sales tax has not been paid in this State or any other state if that other state taxes the purchase of a new personal sports mobile.

[PL 2001, c. 616, §1 (AMD).]

**14. Person.** "Person" means a natural person, corporation, partnership, trust or other entity. In case of an entity, "person" includes any other entity in which the person has a majority interest or effectively controls, as well as the individual officers, directors and other persons in active control of the activities of each such entity.

[PL 1997, c. 473, §3 (NEW).]

**15. Personal sports mobile.** "Personal sports mobile" means any snowmobile as defined in Title 12, section 13001, subsection 25; any all-terrain vehicle as defined in Title 12, section 13001, subsection 3; any motorcycle as defined in Title 29-A, section 101, subsection 38; and any personal watercraft as defined in Title 12, section 13001, subsection 23. "Personal sports mobile" does not include a motor vehicle as defined in section 1171, subsection 11.

[PL 2003, c. 414, Pt. B, §19 (AMD); PL 2003, c. 614, §9 (AFF).]

**16. Personal sports mobile dealer.** "Personal sports mobile dealer" means any person who sells or solicits or advertises the sale of new or used personal sports mobiles. "Personal sports mobile dealer" does not include receivers, trustees, administrators, executors, guardians or other persons appointed by or acting under judgment, decree or order of any court, or public officers while performing their duties as those officers.

[PL 1997, c. 473, §3 (NEW).]

**17. Sale.** "Sale" means the issuance, transfer, agreement for transfer, exchange, pledge, hypothecation or mortgage in any form, whether by transfer in trust or otherwise, of any personal sports mobile or interest in a personal sports mobile or of any franchise related to a personal sports mobile; and any option, subscription or other contract or solicitation looking to a sale, or any offer or attempt

to sell in any form, whether spoken or written. A gift or delivery of any personal sports mobile or franchise with or as a bonus on account of the sale of anything is deemed a sale of that personal sports mobile or franchise.

[PL 1997, c. 473, §3 (NEW).]

#### SECTION HISTORY

PL 1997, c. 473, §3 (NEW). PL 2001, c. 616, §1 (AMD). PL 2003, c. 414, §B19 (AMD). PL 2003, c. 414, §D7 (AFF). PL 2003, c. 614, §9 (AFF). PL 2021, c. 676, Pt. A, §17 (AMD).

#### §1243. Prohibited acts

The following acts are unfair methods of competition and unfair and deceptive practices. It is unlawful for any: [PL 1997, c. 473, §3 (NEW).]

**1. Damage to public.** Manufacturer or personal sports mobile dealer to engage in any action that is arbitrary, in bad faith or unconscionable and that causes damage to any of the parties or to the public; [PL 1997, c. 473, §3 (NEW).]

**2. Coercion involving deliveries and orders.** Manufacturer or an officer, agent or other representative of a manufacturer to coerce or attempt to coerce any personal sports mobile dealer:

A. To order or accept delivery of any personal sports mobile or appliances, equipment, parts or accessories for a personal sports mobile or any other commodity or commodities that the personal sports mobile dealer has not voluntarily ordered, or to order or accept delivery of any personal sports mobile with special features, appliances, accessories or equipment not included in the list price of the personal sports mobile as publicly advertised by the manufacturer; or [PL 1997, c. 473, §3 (NEW).]

B. To order for any person any parts, accessories, equipment, machinery, tools, appliances or any commodity whatsoever; [PL 1997, c. 473, §3 (NEW).]  
[PL 1997, c. 473, §3 (NEW).]

**3. Certain interference in dealer's business.** Manufacturer or an officer, agent or other representative of a manufacturer:

A. To refuse to deliver in reasonable quantities and within a reasonable time after receipt of a dealer's order to any personal sports mobile dealer having a franchise or contractual arrangement for the retail sale of new personal sports mobiles sold or distributed by a manufacturer any personal sports mobiles that are covered by that franchise or contract and specifically publicly advertised by that manufacturer to be available for immediate delivery; however, the failure to deliver any personal sports mobile is not a violation of this chapter if that failure is due to an act of God, or work stoppage or delay due to a strike or labor difficulty, shortage of materials, freight embargo or other cause over which the manufacturer or any of its agents has no control; [PL 1997, c. 473, §3 (NEW).]

B. To coerce or attempt to coerce any personal sports mobile dealer to enter into any agreement with a manufacturer or an officer, agent or other representative of a manufacturer, or to do any other act prejudicial to that dealer by threatening to cancel any franchise or any contractual agreement existing between the manufacturer and that dealer; however, notice in good faith to any personal sports mobile dealer of that dealer's violation of any terms or provisions of the franchise or contractual agreement, or any good faith attempt by the manufacturer to enforce the terms or provisions of the franchise or contractual agreement, does not constitute a violation of this chapter; [PL 1997, c. 717, §1 (AMD).]

C. To resort to or use any false or misleading advertisement in connection with the manufacturer's business as a manufacturer or an officer, agent or other representative of the manufacturer; or to force any dealer to participate in any advertising campaign or contest, or to purchase any

promotional materials, display devices or display decorations or materials at the expense of the new personal sports mobile dealer; [PL 1997, c. 473, §3 (NEW).]

D. To offer to sell or to sell any new personal sports mobile at a lower price than the price offered to any other personal sports mobile dealer for the same model vehicle similarly equipped, or to utilize any device, including, but not limited to, sales promotion plans or programs that result in that lower price. This paragraph does not apply to the following:

- (1) Sales to a personal sports mobile dealer for resale to any unit of the Federal Government;
- (2) Any manufacturer or any of its agents offering to sell or selling new personal sports mobiles to all personal sports mobile dealers at an equal price; and
- (3) Sales by a manufacturer or any of its agents to any unit of the Federal Government; [PL 1997, c. 473, §3 (NEW).]

E. To offer to sell or lease or to sell or lease any new personal sports mobile to any person, except a manufacturer, at a lower price than the price offered and charged to a personal sports mobile dealer for the same model vehicle similarly equipped or to utilize any device that results in that lower price; [PL 1997, c. 473, §3 (NEW).]

F. To offer to sell or to sell parts or accessories to any new personal sports mobile dealer for use in that dealer's own business for the purpose of replacing or repairing the same or a comparable part or accessory at a lower price than the price charged for that part or accessory to any other new personal sports mobile dealer for similar parts or accessories for use in the dealer's own business; [PL 1997, c. 473, §3 (NEW).]

G. To prevent or attempt to prevent by contract or otherwise any personal sports mobile dealer from changing the capital structure of that dealer's dealership or the means by or through which the dealer finances the operation of that dealership, if the dealer at all times meets any reasonable capital standards agreed to between the dealership and the manufacturer and if that change by the dealer does not result in a change in the executive management control of the dealership; [PL 1997, c. 473, §3 (NEW).]

H. To prevent or attempt to prevent by contract or otherwise any personal sports mobile dealer or any officer, partner or stockholder of any personal sports mobile dealer from selling or transferring any part of the interest of any of them to any other person or party. However, a dealer, officer, partner or stockholder may not sell, transfer or assign the franchise or power of management or control under the franchise without the consent of the manufacturer. That consent may not be unreasonably withheld; [PL 1997, c. 473, §3 (NEW).]

I. To obtain money, goods, services, anything of value or any other benefit from any other person with whom the personal sports mobile dealer does business, on account of or in relation to the transactions between the dealer and the other person, unless that benefit is promptly accounted for and transmitted to the personal sports mobile dealer; [PL 1997, c. 473, §3 (NEW).]

J. To compete with a personal sports mobile dealer operating under an agreement or franchise from a manufacturer in a relevant market area that has been determined exclusively by equitable principles. A manufacturer is not considered to be competing when operating a dealership either temporarily for a reasonable period not to exceed one year or in a bona fide relationship in which an independent person has made a significant investment subject to loss in the dealership and can reasonably expect to acquire full ownership of the dealership on reasonable terms and conditions; [PL 1997, c. 473, §3 (NEW).]

K. To require a personal sports mobile dealer to assent to a release assignment, novation, waiver or estoppel that would relieve any person from liability imposed by this chapter; [PL 1997, c. 473, §3 (NEW).]

L. To require any new personal sports mobile dealer to refrain from participation in the management or acquisition of or investment in any other line of new personal sports mobiles or related products; [PL 1997, c. 473, §3 (NEW).]

M. To require any new personal sports mobile dealer to change the location of the new personal sports mobile dealership or during the course of the agreement or franchise to make any substantial alterations to the dealership premises when to do so would be unreasonable; [PL 1997, c. 473, §3 (NEW).]

N. To cancel, terminate, fail to renew or refuse to continue any franchise relationship with a licensed new personal sports mobile dealer, notwithstanding the terms, provisions or conditions of any agreement or franchise or the terms or provisions of any waiver, unless a manufacturer has:

- (1) Satisfied the notice requirement of paragraph Q;
- (2) Acted in good faith as defined in section 1242, subsection 11; and
- (3) Good cause for the cancellation, termination, nonrenewal or noncontinuance; [PL 1997, c. 473, §3 (NEW).]

O. To cancel, terminate, fail to renew or refuse to continue any franchise relationship with a licensed new personal sports mobile dealer, notwithstanding the terms, provisions or conditions of any agreement or franchise or the terms or provisions of any waiver, unless good cause exists. Good cause exists for the purposes of a termination, cancellation, nonrenewal or noncontinuance:

(1) When there is a failure by the new personal sports mobile dealer to comply with a provision of the franchise that is both reasonable and of material significance to the franchise relationship so long as compliance on the part of the new personal sports mobile dealer is reasonably possible and the manufacturer first acquired actual or constructive knowledge of the failure not more than 180 days prior to the date on which notification is given pursuant to paragraph Q;

(2) If the failure by the new personal sports mobile dealer, as described in subparagraph (1), relates to the performance of the new personal sports mobile dealer in sales or service. In this case, good cause is the failure of the new personal sports mobile dealer to effectively carry out the performance provisions of the franchise if:

(a) The new personal sports mobile dealer was apprised by the manufacturer in writing of that failure; the notification stated that notice was provided of failure of performance pursuant to this subsection; and the new personal sports mobile dealer was afforded a reasonable opportunity for a period of not less than 4 months to exert good faith efforts to carry out the performance provisions;

(b) The failure continued within the period that began not more than 120 days before the date notification of termination, cancellation or nonrenewal was given pursuant to paragraph Q; and

(c) The new personal sports mobile dealer has not substantially complied with reasonable performance criteria established by the manufacturer and communicated to that dealer;

(3) When the dealer and the manufacturer agree not to renew the franchise; or

(4) When the manufacturer discontinues production or distribution of any parts, accessories, equipment, machinery, tools, appliances or any commodity whatsoever; [PL 1997, c. 717, §2 (AMD).]

P. To cancel, terminate, fail to renew or refuse to continue any franchise relationship with a licensed new personal sports mobile dealer, notwithstanding the terms, provisions or conditions of any agreement or franchise or the terms or provisions of any waiver, based on any of the following items, which do not constitute good cause:

- (1) The change of ownership of the new personal sports mobile dealer's dealership. This subparagraph does not authorize any change in ownership that would have the effect of the sale of the dealership without the manufacturer's written consent. This consent may not be unreasonably withheld. The burden of establishing the reasonableness is on the manufacturer;
- (2) The fact that the new personal sports mobile dealer unreasonably refused to purchase or accept delivery of any new personal sports mobile, parts, accessories or any other commodity or services not ordered by the new personal sports mobile dealer, except that the manufacturer may require that the dealer stock a reasonable supply of parts or accessories required to perform campaign, recall or warranty work, and except that this provision is not intended to modify or supersede any requirement of the franchise that dealers market a representative line of those personal sports mobiles that the manufacturer is publicly advertising;
- (3) The fact that the new personal sports mobile dealer owns, has an investment in, participates in the management of or holds a license for the sale of another make or line of new personal sports mobiles or that the new personal sports mobile dealer has another make or line of new personal sports mobiles in the same dealership facilities as those of the manufacturer, as long as the new personal sports mobile dealer maintains a reasonable line of credit for each make or line of new personal sports mobiles and that the new personal sports mobile dealer remains in substantial compliance with reasonable facilities' requirements of the manufacturer; or
- (4) The fact that the new personal sports mobile dealer sells or transfers ownership of the dealership or sells or transfers capital stock in the dealership to the new personal sports mobile dealer's designated family member. The manufacturer shall give effect to such change in the ownership in the franchise. This subparagraph does not authorize any changes in ownership that would have the effect of the sale of the dealership without the manufacturer's written consent. This consent may not be unreasonably withheld. The burden of establishing the reasonableness is on the manufacturer.

The manufacturer has the burden of proof under paragraph N for showing that it has acted in good faith, that the notice requirements have been complied with and that there was good cause for the franchise termination, cancellation, nonrenewal or noncontinuance; [PL 1997, c. 473, §3 (NEW).]

Q. To cancel, terminate, fail to renew or refuse to continue any franchise relationship with a licensed new personal sports mobile dealer, notwithstanding the terms, provisions or conditions of any agreement or franchise or the terms or provisions of any waiver, without first providing notification of the termination, cancellation, nonrenewal or noncontinuance to the new personal sports mobile dealer as follows:

- (1) Notification under this paragraph must be in writing and must be delivered personally or by certified mail to the new personal sports mobile dealer and must contain:
  - (a) A statement of intention to terminate, cancel, not continue or not renew the franchise;
  - (b) A statement of the reasons for the termination, cancellation, noncontinuance or nonrenewal; and
  - (c) The date on which the termination, cancellation, noncontinuance or nonrenewal takes effect;
- (2) The notice required in this paragraph may not be given less than 90 days prior to the effective date of the termination, cancellation, noncontinuance or nonrenewal, except as provided in subparagraph (3); or

(3) The notice required in this paragraph may not be given less than 15 days prior to the effective date of the termination, cancellation, noncontinuance or nonrenewal with respect to any of the following:

- (a) Insolvency of the new personal sports mobile dealer or filing of any petition by or against the new personal sports mobile dealer under any bankruptcy or receivership law;
- (b) The business operations of the personal sports mobile dealer have been abandoned or closed for 14 consecutive business days unless the closing is due to an act of God, strike or labor difficulty; or
- (c) Conviction of or plea of nolo contendere of a personal sports mobile dealer or one of its principal owners of any Class A, Class B or Class C crime, as defined in Title 17-A, in which a sentence of imprisonment of one year or more is imposed under Title 17-A, sections 1603 and 1604; or [PL 2019, c. 113, Pt. C, §5 (AMD).]

R. To cancel, terminate, fail to renew or refuse to continue any franchise relationship with a licensed new personal sports mobile dealer without providing fair and reasonable compensation to the licensed new personal sports mobile dealer for:

(1) All unsold new model personal sports mobile inventory of the current and previous 2 model years purchased from the manufacturer;

(2) Unused supplies and parts purchased from the manufacturer or its approved sources; however, if the termination, cancellation, nonrenewal or noncontinuance was for good cause, the following conditions apply:

- (a) The rate of reimbursement is the dealer net price at the time of reimbursement, less a 15% restocking fee;
- (b) Each part to be repurchased must be new, undamaged, in its original packaging, if applicable, currently listed in the distributor's parts list and directly purchased by the dealer seeking repurchase from the distributor;
- (c) The dealer must comply with reasonable procedures established by the distributor for parts repurchased, as long as these procedures do not reduce the price and are necessary for the orderly return of parts; and
- (d) The dealer must possess, and transfer to the distributor, right title to the parts;

(3) Equipment and furnishings purchased from the manufacturer or its approved sources;

(4) Special tools purchased from the manufacturer or its approved sources; and

(5) Facilities, if the involuntary termination, cancellation, noncontinuance or nonrenewal is due to a failure of performance of the new personal sports mobile dealer in sales or service. The amount of compensation due to the dealer from the manufacturer must be determined as follows:

(a) If the new personal sports mobile dealer is leasing the facilities from a lessor other than the manufacturer, the manufacturer shall pay the new personal sports mobile dealer a sum equivalent to the pro rata portion of the rent for the unexpired term or one year's rent, whichever is less, that represents the aggregate percentage of the sales dollar volume and service dollar volume derived from the sale and service of that manufacturer's products for the 12 months immediately preceding termination, cancellation, noncontinuance or nonrenewal; or

(b) If the new personal sports mobile dealer owns the facilities, the manufacturer shall pay the new personal sports mobile dealer a sum equivalent to the pro rata portion of the reasonable rental value of the facilities for one year that represents the aggregate percentage

of the sales dollar volume and service dollar volume derived from the sale and service of that manufacturer's products for the 12 months immediately preceding the termination, cancellation, noncontinuance or nonrenewal.

Such fair and reasonable compensation for the items listed in subparagraphs (1), (3) and (4) may not be less than the acquisition price. Compensation for the items listed in subparagraphs (1), (3), (4) and (5) must be paid by the manufacturer, when possible, within 90 days of the effective date of the termination, cancellation, noncontinuance or nonrenewal. Compensation for the items listed in subparagraph (2) must be paid by the manufacturer, when possible, within 90 days of the date on which the parts are received by the manufacturer from the dealer.

In lieu of any injunctive relief or any other damages, if the manufacturer fails to prove there was good cause for the termination, cancellation, noncontinuance or nonrenewal, or if the manufacturer fails to prove that it acted in good faith, then the manufacturer may pay the new personal sports mobile dealer fair and reasonable compensation for the value of the dealership as an ongoing business; and [PL 1997, c. 717, §3 (AMD).]

[PL 2019, c. 113, Pt. C, §5 (AMD).]

**4. Dealer violations.** Personal sports mobile dealer:

A. To require a purchaser of a new personal sports mobile, as a condition of sale and delivery of the new personal sports mobile, to also purchase special features, appliances, equipment, parts or accessories not desired or requested by the purchaser. The substance of this paragraph must be conveyed by the personal sports mobile dealer to the purchaser prior to the consummation of the purchase; [PL 1997, c. 473, §3 (NEW).]

B. To represent and sell as a new personal sports mobile any personal sports mobile that has been used and operated for demonstration purposes or is otherwise a used personal sports mobile; [PL 1997, c. 473, §3 (NEW).]

C. To resort to or use any false or misleading advertisement in connection with that dealer's business as a personal sports mobile dealer; [PL 2001, c. 616, §2 (AMD).]

D. To fail to disclose conspicuously in writing the personal sports mobile dealer's policy in relation to the return of deposits received from any person. A dealer shall require that a person making a deposit sign the form on which the disclosure appears; or [PL 2001, c. 616, §2 (AMD).]

E. To sell, directly or indirectly, a new personal sports mobile without holding a current and valid franchise with the manufacturer of the brand of new personal sports mobile being sold. [PL 2001, c. 616, §3 (NEW).]

[PL 2001, c. 616, §§2, 3 (AMD).]

#### SECTION HISTORY

PL 1997, c. 473, §3 (NEW). PL 1997, c. 717, §§1-3 (AMD). PL 2001, c. 616, §§2,3 (AMD). PL 2019, c. 113, Pt. C, §5 (AMD).

#### §1243-A. Unlawful sale of new personal sports mobile

A person is guilty of unlawful sale of a new personal sports mobile if that person sells a new personal sports mobile and does not possess a current and valid franchise with the personal sports mobile manufacturer of the brand of new personal sports mobile being sold. If, upon demand by a law enforcement officer, a person fails to produce evidence of a franchise required by this section, this failure is prima facie evidence that the person does not possess that franchise. [PL 2001, c. 616, §4 (NEW).]

A person who violates this section commits a Class E crime and additionally is liable in any action brought for unfair methods of competition or unfair and deceptive trade practices for treble damages,



which include, but are not limited to, damages related to warranty coverage. [PL 2001, c. 616, §4 (NEW).]

This section may be enforced by any law enforcement officer. [PL 2001, c. 616, §4 (NEW).]

#### SECTION HISTORY

PL 2001, c. 616, §4 (NEW).

#### §1244. Limitations on establishing or relocating dealerships

A new personal sports mobile dealership may not be established nor may a personal sports mobile dealership be relocated, except as follows. [PL 1997, c. 473, §3 (NEW).]

**1. Notification.** If a manufacturer seeks to enter into a franchise establishing an additional new personal sports mobile dealership or relocating an existing new personal sports mobile dealership, within or into a relevant market area where the same line make is already represented, the manufacturer shall, in writing, first notify each new personal sports mobile dealer in the line make in the relevant market area of the intention to establish an additional dealership or to relocate an existing dealership within or into that market area. The relevant market area is a radius of 15 miles around an existing dealership in the following cities: Augusta, Auburn, Bangor, Biddeford, Brewer, Falmouth, Lewiston, Portland, Saco, South Portland, Waterville and Westbrook. The relevant market area is a radius of 30 miles around all other existing dealerships.

Within 30 days of receiving the notice or within 30 days after the end of any appeal procedure provided by the manufacturer, any such new personal sports mobile dealership may file a complaint in the Superior Court of the county in which the dealership is located, protesting the establishment or relocation of the proposed new personal sports mobile dealership. When such a complaint is filed, the manufacturer may not establish or relocate the proposed new personal sports mobile dealership until a hearing has been held on the merits, nor thereafter if the court determines that there is good cause for not permitting the proposed new personal sports mobile dealership. [PL 1997, c. 473, §3 (NEW).]

**2. Good cause.** In determining whether good cause has been established for not entering into or relocating an additional dealership for the same line make, the court shall take into consideration the existing circumstances, including, but not limited to:

A. The permanency of the investment of both the existing and proposed new personal sports mobile dealers; [PL 1997, c. 473, §3 (NEW).]

B. The effect on the retail new personal sports mobile business and the consuming public in the relevant market area; [PL 1997, c. 473, §3 (NEW).]

C. Whether it is injurious or beneficial to the public welfare for an additional new personal sports mobile dealership to be established; [PL 1997, c. 473, §3 (NEW).]

D. Whether the new personal sports mobile dealers of the same line make in that relevant market area are providing adequate competition and convenient consumer care for the personal sports mobiles of the line make in the market area, including the adequacy of personal sports mobile sales and service facilities, equipment, supply of personal sports mobile parts and qualified service personnel; [PL 1997, c. 473, §3 (NEW).]

E. Whether the establishment of an additional new personal sports mobile dealership would increase competition and therefore be in the public interest; and [PL 1997, c. 473, §3 (NEW).]

F. The effect on the establishing or relocating dealer as a result of not being permitted to establish or relocate. [PL 1997, c. 473, §3 (NEW).]

[PL 1997, c. 473, §3 (NEW).]

**3. Mediation.** A franchisee may not bring an action for recovery of damages or for equitable relief under this section until a franchisee has served upon the franchisor a written demand for nonbinding mediation and either the parties have engaged in such mediation in this State with an independent mediator or 60 days have passed from the franchisor's receipt of notice of mediation, whichever occurs sooner. The service of the written notice of mediation tolls the running of any applicable statute of limitations for the subsequent 60-day period. A franchisor may not establish a new personal sports mobile dealership or relocate an existing sports mobile dealership within or into the relevant market area during this 60-day period. Notwithstanding any agreement or requirement to engage in nonbinding mediation, at the conclusion of the proceedings, the franchisee is entitled to file an action in any court in this State in accordance with section 1250-I. The results of nonbinding mediation are not admissible in the action.

[PL 2001, c. 246, §1 (NEW).]

For the purposes of this section, the reopening in a relevant market area of a new personal sports mobile dealership that has not been in operation for one year or more is deemed the establishment of an additional new personal sports mobile dealership. [PL 1997, c. 473, §3 (NEW).]

#### SECTION HISTORY

PL 1997, c. 473, §3 (NEW). PL 2001, c. 246, §1 (AMD).

#### §1245. Transportation damages

**1. Liability of new dealer after acceptance.** Notwithstanding the terms, provisions or conditions of any agreement or franchise, the new personal sports mobile dealer is solely liable for damages to new personal sports mobiles after acceptance from the carrier and before delivery to the ultimate purchaser.

[PL 1997, c. 473, §3 (NEW).]

**2. Liability of manufacturer.** Notwithstanding the terms, provisions or conditions of any agreement or franchise, the manufacturer is liable for all damages to personal sports mobiles before delivery to a carrier or transporter.

[PL 1997, c. 473, §3 (NEW).]

**3. Additional liability of dealer.** Notwithstanding the provisions of subsections 1 and 2, the new personal sports mobile dealer is liable for damages to new personal sports mobiles after delivery to the carrier if the dealer selects the mode of transportation and the carrier. In all other instances, the manufacturer is liable for carrier-related new personal sports mobile damage as long as the new personal sports mobile dealer annotates the bill of lading or other carrier document indicating damages observed at the time of delivery to the new personal sports mobile dealer and promptly notifies the manufacturer of any concealed damage discovered after delivery.

[PL 1997, c. 473, §3 (NEW).]

#### SECTION HISTORY

PL 1997, c. 473, §3 (NEW).

#### §1246. Survivorship

**1. Right of family member.** The right of a designated family member to succeed in dealer ownership is governed by the following provisions.

A. Any designated family member of a deceased or incapacitated new personal sports mobile dealer who has been designated as successor to that dealer in writing to the manufacturer may succeed the dealer in the ownership or operation of the dealership under the existing franchise or distribution agreement, if the designated family member gives the manufacturer of new personal sports mobiles a written notice of the intention to succeed to the dealership within 120 days of the dealer's death or incapacity. The designated family member may not succeed the dealer if there

exists good cause for refusal to honor the succession on the part of the manufacturer. [PL 1997, c. 473, §3 (NEW).]

B. The manufacturer may request and the designated family member shall provide, upon the request, on forms provided for that purpose, personal and financial data that is reasonably necessary to determine whether the succession may be honored. [PL 1997, c. 473, §3 (NEW).]  
[PL 1997, c. 473, §3 (NEW).]

**2. Refusal to honor; notice required.** The refusal to honor the right of a designated family member to succeed in dealer ownership is governed by the following provisions.

A. If a manufacturer believes that good cause exists for refusing to honor the succession to the ownership and operation of a dealership by a designated family member of a deceased or incapacitated new personal sports mobile dealer under the existing franchise agreement, the manufacturer may, within 60 days of receipt of the information requested in subsection 1, paragraph B, serve upon the designated family member notice of its refusal to honor the succession or its intent to discontinue the existing franchise agreement with the dealership. Such discontinuance may not take place sooner than 90 days from the date the notice is served. [PL 1997, c. 473, §3 (NEW).]

B. The notice must state the specific grounds for the refusal to honor the succession and the intent to discontinue the existing franchise agreement with the dealership no sooner than 90 days from the date the notice is served. [PL 1997, c. 473, §3 (NEW).]

C. If notice of refusal and discontinuance is not timely served upon the designated family member, the franchise agreement continues in effect subject to termination only as otherwise permitted by this section. [PL 1997, c. 473, §3 (NEW).]  
[PL 1997, c. 473, §3 (NEW).]

**3. Written designation of succession unaffected.** This section does not preclude a new personal sports mobile dealer from designating any person as that new personal sports mobile dealer's successor by written instrument filed with the manufacturer.  
[PL 1997, c. 473, §3 (NEW).]

## SECTION HISTORY

PL 1997, c. 473, §3 (NEW).

### **§1247. Delivery and preparation obligations; product liability and implied warranty complaints**

Every manufacturer shall specify to the dealer the delivery and preparation obligations of its personal sports mobile dealers prior to delivery of new personal sports mobiles to retail buyers. The delivery and preparation obligations of its personal sports mobile dealers and a schedule of the compensation to be paid to its personal sports mobile dealers for the work and services they are required to perform in connection with the delivery and preparation are the dealer's only responsibility for product liability between that dealer and that manufacturer. The compensation set forth on the schedule must be reasonable. [PL 1997, c. 473, §3 (NEW).]

In any action or claim brought against the personal sports mobile dealer on a product liability complaint in which it is later determined that the manufacturer is liable, the dealer is entitled to receive from the manufacturer that dealer's reasonable costs and attorney's fees incurred in defending the claim or action. [PL 1997, c. 473, §3 (NEW).]

In any action or claim brought against the personal sports mobile dealer on a breach of implied warranty complaint in which it is later determined that the manufacturer is liable, the dealer is entitled to receive from the manufacturer the dealer's reasonable costs and attorney's fees incurred in defending the claim or action. In any such implied warranty action, a dealer has the rights of a buyer under Title 11, section 2-607, subsection (5). [RR 2021, c. 2, Pt. A, §15 (COR).]

The court shall consider the personal sports mobile dealer's share in the responsibility for the damages in awarding costs and attorney's fees. [PL 1997, c. 473, §3 (NEW).]

#### SECTION HISTORY

PL 1997, c. 473, §3 (NEW). RR 2021, c. 2, Pt. A, §15 (COR).

#### §1248. Warranty

**1. Parts or labor; satisfaction of warranty.** If a personal sports mobile franchisor requires or permits a personal sports mobile franchisee to perform labor or provide parts in satisfaction of a warranty created by the franchisor, the franchisor shall properly and promptly fulfill its warranty obligations and shall:

A. Reimburse the franchisee for any parts provided at the published manufacturer's suggested retail price at the time of retail sale; and [PL 1997, c. 717, §4 (AMD).]

B. Reimburse the franchisee for any labor performed at the retail rate customarily charged by that franchisee for the same labor when not performed in satisfaction of a warranty. The franchisee's rate for labor not performed in satisfaction of a warranty must be posted in a place conspicuous to its service customers. [PL 1997, c. 473, §3 (NEW).]

[PL 1997, c. 717, §4 (AMD).]

**2. Claim.** Any claim made by a franchisee for compensation for parts provided or for reimbursement for labor performed in satisfaction of a warranty must be paid within 30 days of its approval from the franchisor. All the claims must be either approved or disapproved within 30 days of their receipt. When any such claim is disapproved, the franchisee that submitted it must be notified in writing from the franchisor of its disapproval within that period, together with the specific reasons for its disapproval.

[PL 1997, c. 473, §3 (NEW).]

**3. Restrictions prohibited.** A franchisor may not restrict by agreement, restriction upon reimbursement or otherwise the nature or extent of labor performed or parts provided so that the restriction impairs the franchisee's ability to satisfy a warranty created by the franchisor by performing labor in a professional manner or by providing parts required in accordance with generally accepted standards.

[PL 1997, c. 473, §3 (NEW).]

**4. Costs; fees.** In any claim that is disapproved by the manufacturer and in which the dealer brings legal action to collect the disapproved claim and is successful in the action, the court shall award the dealer the cost of the action together with reasonable attorney's fees. Reasonable attorney's fees must be determined by the value of the time reasonably expended by the attorney and not by the amount of the recovery on behalf of the dealer.

[PL 1997, c. 473, §3 (NEW).]

#### SECTION HISTORY

PL 1997, c. 473, §3 (NEW). PL 1997, c. 717, §4 (AMD).

#### §1249. Unreasonable restrictions

It is unlawful directly or indirectly to impose unreasonable restrictions on a personal sports mobile dealer or franchisee relative to transfer; sale; right to renew; termination; discipline; noncompetition covenants; site-contracts whether by sublease, collateral pledge of lot purchase or option to purchase; compliance with subjective standards; or assertion of legal or equitable rights. [PL 1997, c. 473, §3 (NEW).]

#### SECTION HISTORY

PL 1997, c. 473, §3 (NEW).

**§1250. Covered under written or oral agreements**

**1. Agreements subject to this chapter.** Written or oral agreements between a manufacturer, wholesaler or distributor with a personal sports mobile dealer, including, but not limited to, the franchise offering, the franchise agreement, sales of goods, services or advertising, leases or mortgages of real or personal property, promises to pay, security interests, pledges, insurance contracts, advertising contracts, construction or installation contracts, servicing contracts and all other such agreements in which the manufacturer, wholesaler or distributor has any direct or indirect interest, are subject to this chapter.

[PL 1997, c. 473, §3 (NEW).]

**2. Copy of agreement or amendments.** Before any new selling agreement or any amendment to that selling agreement between the parties becomes effective, the manufacturer or an officer, agent or other representative of that manufacturer shall, 90 days prior to the effective date of the agreement or amendment, forward a copy of the agreement or amendment to the dealer.

[PL 1997, c. 473, §3 (NEW).]

**SECTION HISTORY**

PL 1997, c. 473, §3 (NEW).

**§1250-A. Franchise interest; vested rights**

Notwithstanding any other provision of law, it is unlawful for the manufacturer, wholesaler, distributor or franchisor without due cause to fail to renew a franchise on terms then equally available to all its personal sports mobile dealers, to terminate a franchise or to restrict the transfer of a franchise unless the franchisee receives fair and reasonable compensation for the value of the business. [PL 1997, c. 473, §3 (NEW).]

**SECTION HISTORY**

PL 1997, c. 473, §3 (NEW).

**§1250-B. Franchisee's right to associate**

Any franchisee has the right of free association with other franchisees for any lawful purpose. [PL 1997, c. 473, §3 (NEW).]

**SECTION HISTORY**

PL 1997, c. 473, §3 (NEW).

**§1250-C. Discounts and other inducements**

In connection with a sale of a personal sports mobile or mobiles to the State or to any political subdivision of the State, a manufacturer may not offer any discounts, refunds or any other similar type of inducement to any dealer without making the same offer or offers to all its dealers within the relevant market area. If such inducements are made, the manufacturer, distributor or wholesaler shall give simultaneous notice of those inducements to all of its dealers within the relevant market area. [PL 1997, c. 473, §3 (NEW).]

**SECTION HISTORY**

PL 1997, c. 473, §3 (NEW).

**§1250-D. Public policy**

Any contract or part of a contract or practice under a contract in violation of any provision of this chapter is against public policy and is void and unenforceable. Any existing contract or part of a contract or practice under a contract in violation of any provision of this chapter is against public policy and is void and unenforceable to the extent that it is in conflict with this chapter. [PL 1997, c. 473, §3 (NEW).]

**SECTION HISTORY**

PL 1997, c. 473, §3 (NEW).

**§1250-E. Advertisements**

Any person who engages directly or indirectly in purposeful contacts within this State in connection with the offering or advertising for sale or has business dealings with respect to a personal sports mobile within the State is subject to this chapter. [PL 1997, c. 473, §3 (NEW).]

**SECTION HISTORY**

PL 1997, c. 473, §3 (NEW).

**§1250-F. Civil remedies**

**1. Civil remedies.** A franchisee or personal sports mobile dealer who suffers financial loss of money or property, real or personal, or who has otherwise been adversely affected as a result of an unfair method of competition, an unfair or deceptive act or a violation of a provision of this chapter may bring an action for damages and equitable relief, including injunctive relief. When the franchisee or dealer prevails, the court shall award attorney's fees to the franchisee or dealer regardless of the amount in controversy and assess costs against the opposing party. A final judgment, order or decree rendered against a person in a civil or administrative proceeding under this chapter or in a civil, criminal or administrative proceeding under the federal antitrust laws, the Federal Trade Commission Act, or any other part of the Maine Revised Statutes is prima facie evidence against that person subject to the conditions set forth in the federal antitrust laws, 15 United States Code, Section 16. [PL 2001, c. 246, §2 (AMD).]

**SECTION HISTORY**

PL 1997, c. 473, §3 (NEW). PL 1997, c. 717, §5 (AMD). PL 2001, c. 246, §2 (AMD).

**§1250-G. Statute of limitation**

Actions arising out of any provision of this chapter must be commenced within 4 years after the cause of action accrues; however, if a person liable under this chapter conceals the cause of action from the knowledge of the person entitled to bring it, the period prior to the discovery of the cause of action by the person so entitled is excluded in determining the time limited for commencement of the action. If a cause of action accrues during the pendency of any civil, criminal or administrative proceeding against a person brought by the United States or any of its agencies under the antitrust laws, the Federal Trade Commission Act or any other federal Act or the laws of Maine related to antitrust laws or to franchising, that action may be commenced within one year after the final disposition of that civil, criminal or administrative proceeding. [PL 1997, c. 473, §3 (NEW).]

**SECTION HISTORY**

PL 1997, c. 473, §3 (NEW).

**§1250-H. Construction**

In construing this chapter the courts may be guided by the interpretations of the Federal Trade Commission Act, 15 United States Code, Section 45, as amended. [PL 1997, c. 473, §3 (NEW).]

**SECTION HISTORY**

PL 1997, c. 473, §3 (NEW).

**§1250-I. Jurisdiction**

Any person who violates any provision of this chapter is subject to the jurisdiction of the courts of this State upon service of process in accordance with Title 14, chapter 203 and consistent with the

maximum limits of due process as decided by the United States Supreme Court. [PL 1997, c. 473, §3 (NEW).]

SECTION HISTORY

PL 1997, c. 473, §3 (NEW).

**§1250-J. Penalty**

**(REPEALED)**

SECTION HISTORY

PL 1997, c. 473, §3 (NEW). PL 1997, c. 717, §6 (RP).

**§1250-K. Unlawful sale of new snowmobile and new all-terrain vehicle**

**(REPEALED)**

SECTION HISTORY

PL 2001, c. 387, §1 (NEW). PL 2001, c. 616, §5 (RP).

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