

Title 42. Business, Selling, Trading and Collection Practices

☰ [Chapter 739. Trading Stamps, Mail Orders, Franchises, Credit Programs and Subscriptions \(Refs & Annos\)](#)

→ [§ 42-133mm. Sale, transfer or assignment of franchisor's interest](#)

(a) When a franchisor intends to sell, transfer or assign to another person the franchisor's interest in a single marketing premises that is not part of two or more marketing premises marketed as a package to sell, transfer or assign more than a single marketing premises, that the franchisee has occupied under a lease, sublease or other grant of authority to occupy such premises, such franchisor shall first: (1) Make a bona fide offer to sell, transfer or assign to the franchisee such franchisor's interests in such single marketing premises; or (2) if applicable, offer the franchisee a right of first refusal of a bona fide offer made by another acceptable to the franchisor, to purchase such franchisor's interest in such single marketing premises. The franchisee shall have forty-five days in which to accept or reject such offer made under subdivision (1) or (2) of this subsection.

(b) When a franchisor sells transfers or assigns the franchisor's interest in two or more marketing premises marketed as a package to a successor owner, any change in the terms and conditions of the franchise agreement in effect at the time of the sale, transfer or assignment shall be by mutual agreement of the franchisee and the successor owner. Such successor owner shall, at the expiration of the franchise agreement in effect at the time of the sale, transfer or assignment, renew the franchise agreement of each franchisee for the same number of years as the agreement in effect at the time of the sale, transfer or assignment, provided such renewal shall not exceed five years. Any changes to the franchise agreement shall be submitted in good faith by the successor owner and negotiated in good faith by the successor owner and the franchisee. The successor owner shall not require the franchisee to do the following: (1) Take part in promotional campaigns of the successor owner's products; (2) meet sales quotas; (3) sell any product at a price suggested by the successor owner or supplier; (4) keep the premises open and operating during hours which are documented by the franchisee to be unprofitable to the franchisee or during the hours after ten o'clock p.m. and prior to six o'clock a.m.; or (5) disclose to the successor owner or supplier financial records of the operation of the franchise which are not related or necessary to the franchisee's obligations under the franchise agreement. Nothing in this subsection shall affect the successor owner's ability to terminate, cancel or fail to renew a franchise agreement for good cause shown.

(c) If such successor owner intends to sell, transfer or assign to another person such successor owner's interest in the marketing premises that the franchisee has occupied under a lease, sublease or other grant of authority to occupy such premises, the new owner shall first (1) make a bona fide offer to sell, transfer or assign to the franchisee such successor owner's interest in the marketing premises; or (2) if applicable, offer the franchisee a right of first refusal of a bona fide offer made by another acceptable to the successor, to purchase such successor owner's interest in such marketing premises. The franchisee shall have forty-five days in which to accept or reject such offer made under subdivision (1) or (2) of this subsection.

(d) For the purposes of this section, "marketing premises" means premises which, under a franchise agreement, are to be employed by a franchisee in connection with the sale, consignment or distribution of motor fuel.

(e) The provisions of this section shall apply to any franchise agreement in effect on or after July 1, 2000.