



Ohio Revised Code

Section 1353.06 Cause for termination.

Effective: October 26, 2001

Legislation: House Bill 200 - 124th General Assembly

(A)(1) No supplier, without good cause, shall terminate, fail to renew, or substantially alter the competitive circumstances of a dealer agreement that is entered into by the supplier and a dealer on or after the effective date of this section or that is a continuing contract with no expiration date.

(2) Circumstances that constitute good cause for a supplier to terminate, fail to renew, or substantially alter the competitive circumstances of a dealer agreement include failure by the dealer to comply with the requirements imposed on the dealer by a dealer agreement if the requirements are not materially different from those imposed on other dealers similarly situated in this state or surrounding states. In addition, circumstances that constitute good cause include those in which the dealer consistently does any of the following:

- (a) Engages in business practices that are detrimental to the consumer or the supplier, including engaging in misleading advertising or failing to provide service and replacement parts or to perform warranty obligations;
- (b) Fails to provide adequate sales, service, or parts personnel in accordance with the dealer agreement;
- (c) Fails to meet reasonable building and housekeeping requirements;
- (d) Fails to comply with applicable licensing laws with respect to any of the products and services that the dealer represents as being sold or provided by the dealer on behalf of the supplier;
- (e) Fails to meet the supplier's reasonable market penetration requirements based on accurate records and after receiving notice from the supplier of the supplier's requirements.

(3) Circumstances that do not constitute good cause for a supplier to terminate, fail to renew, or substantially alter the competitive circumstances of a dealer agreement include, without limitation,



any of the following:

(a) The dealer's refusal to purchase or accept delivery from the supplier of any inventory or other commodity or service that the dealer did not order under the terms of the dealer agreement except as required by any applicable law or unless the inventory is comprised of safety parts or accessories that are required by the supplier;

(b) The sole fact that the supplier desires further penetration of the market unless the dealer consistently has failed to meet the supplier's reasonable market penetration requirements based on accurate records and after receiving notice from the supplier of the supplier's requirements;

(c) Refusal by the dealer to participate at the dealer's expense in any national advertising campaign or contest.

(B) Prior to a supplier's termination of or failure to renew a dealer agreement, the supplier shall provide the dealer with not fewer than one hundred eighty days' prior written notice of the intent to terminate or not renew it. The notice shall explain the deficiencies on the part of the dealer that have resulted in the supplier's intent to terminate or not renew the dealer agreement. The dealer shall submit to the supplier a plan for correcting the deficiencies. The supplier, when making the final determination regarding termination of the agreement, shall consider corrective actions taken by the dealer.