

**MOTOR VEHICLE FRANCHISE ACT (EXCERPT)**  
**Act 118 of 1981**

**445.1566 Definitions; R to U.**

Sec. 6.

(1) "Relevant market area" means 1 of the following:

(a) In a county that has a population of more than 150,000, the area within a radius of 9 miles of the site of the intended place of business of a proposed new vehicle dealer or the intended place of business of a new vehicle dealer that plans to relocate its place of business. For purposes of this section, the 9-mile distance is determined by measuring the distance between the nearest surveyed boundary of an existing new motor vehicle dealer's principal place of business and the nearest surveyed boundary line of the proposed or relocated new motor vehicle dealer's principal place of business.

(b) In a county that has a population of 150,000 or fewer, the area within a radius of 15 miles of the site of the intended place of business of a proposed new vehicle dealer or the intended place of business of a new vehicle dealer that plans to relocate its place of business. For purposes of this section, the 15-mile distance is determined by measuring the distance between the nearest surveyed boundary line of an existing new motor vehicle dealer's principal place of business and the nearest surveyed boundary line of the proposed or relocated new motor vehicle dealer's principal place of business.

(2) "Stop-sale order" means a notification issued by a manufacturer to its franchised new motor vehicle dealers stating that certain used vehicles in inventory shall not be driven, sold, or leased, at either retail or wholesale, due to a federal safety recall or manufacturer issued recall for a defect or a noncompliance, or a federal emissions recall.

(3) "Successor manufacturer" means a manufacturer that acquires, succeeds to, or assumes any part of the business of another manufacturer as the result of any of the following:

(a) A change in ownership, operation, or control of a predecessor manufacturer by sale or transfer of assets, corporate stock, or other equity interest, assignment, merger, consolidation, combination, joint venture, redemption, court-approved sale, operation of law, or any other means.

(b) Termination, suspension, or cessation of a part or all of the business operations of a predecessor manufacturer.

(c) Discontinuance of the sale of a product line.

(d) A change in distribution system by a predecessor manufacturer, whether through a change in distributor or the predecessor manufacturer's decision to cease conducting any business through a particular distributor.

(4) "Used motor vehicle" means a motor vehicle that is not a new motor vehicle.

(5) "Used motor vehicle dealer" means a person that is engaged in the business of purchasing, selling, exchanging, or dealing in used motor vehicles and that has an established place of business in this state at which it conducts that business. The term does not include a new motor vehicle dealer purchasing, selling, exchanging, or dealing in used motor vehicles as part of its business of purchasing, selling, exchanging, or dealing in new motor vehicles.

**History:** 1981, Act 118, Imd. Eff. July 19, 1981 ;-- Am. 1983, Act 188, Imd. Eff. Nov. 1, 1983 ;-- Am. 2010, Act 139, Imd. Eff. Aug. 4, 2010 ;-- Am. 2018, Act 668, Eff. Mar. 28, 2019