Overview

This bill expands the definition of a franchise and provides certain protections to franchisees regarding the right to purchase or lease the franchisee's marketing premises.

Section

1 Definition of franchise. Expands the definition of a franchise to include certain agreements in which the franchisee is granted the right to market motor vehicle fuel at a facility provided by the franchisor. In order to qualify under this new definition, the franchisee must receive at least 85 percent of its fuel from the franchisor. This section exempts certain wholesale sellers from the definition of a franchise.

2 Change in ownership or control of marketing premises.

Subd. 1. Sales, transfers or assignments. Requires franchisors who intend to sell the location where a franchisee is operating to offer to sell the premises to the franchisee or to give the franchisee a right of first refusal.

Subd. 2. Lease or purchase options. Requires a franchisor who has an option to purchase or lease the location where a franchisee is operating and chooses not to exercise it to offer to assign or transfer the option to the franchisee.

Subd. 3. Definition. Defines an affiliate.

3 Effective date; application. Provides that the act is effective the day following final enactment and applies to franchises entered into, amended, or renewed on or after that date. Also provides that any franchise without an expiration date is considered to be renewed on August 1, 1999.