



# SENATE BILL No. 82

January 13, 1993, Introduced by Senator Gast and referred to the Committee on Technology and Energy.

A bill to amend Act No. 134 of the Public Acts of 1990, entitled "Motor fuel distribution act," being sections 445.1801 to 445.1808 of the Michigan Compiled Laws, by adding section 4a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 134 of the Public Acts of 1990, being  
2 sections 445.1801 to 445.1808 of the Michigan Compiled Laws, is  
3 amended by adding section 4a to read as follows:

4 SEC. 4A. (1) A FRANCHISOR WHO OWNS AN INTEREST IN A LEASED  
5 MARKETING PREMISES SHALL NOT SELL, LEASE, TRANSFER, OR ASSIGN TO  
6 ANOTHER PERSON THE FRANCHISOR'S INTEREST IN THE PREMISES UNLESS  
7 THE FRANCHISOR HAS OFFERED TO THE FRANCHISEE 1 OF THE FOLLOWING  
8 AND THE FRANCHISEE HAS REJECTED THE OFFER:

1 (A) TO SELL, LEASE, TRANSFER, OR ASSIGN THE INTEREST IN THE  
2 PREMISES AT ITS FAIR MARKET VALUE.

3 (B) THE RIGHT OF FIRST REFUSAL TO PERFORM ON THE SAME TERMS  
4 AND CONDITIONS OF A BONA FIDE OFFER TO THE FRANCHISOR BY ANOTHER  
5 PERSON TO PURCHASE OR LEASE THE FRANCHISOR'S INTEREST IN THE  
6 PREMISES.

7 (2) A FRANCHISOR WHO LEASES A MARKETING PREMISES FROM A  
8 THIRD PARTY AND THE LEASE IS TERMINATED, SUBJECT TO THE FRANCHI-  
9 SEE PURCHASING OR LEASING THE PREMISES FROM THE THIRD PARTY, THE  
10 FRANCHISOR SHALL OFFER TO SELL OR LEASE TO THE FRANCHISEE ANY  
11 INTEREST THE FRANCHISOR HAS IN IMPROVEMENTS ON THE PREMISES AT A  
12 PRICE NOT TO EXCEED THE FAIR MARKET VALUE OR BOOK VALUE OF THE  
13 IMPROVEMENTS.

14 (3) THIS SECTION SHALL NOT BE CONSTRUED TO REQUIRE A FRAN-  
15 CHISOR TO CONTINUE AN EXISTING FRANCHISE AGREEMENT OR TO RENEW A  
16 FRANCHISE AGREEMENT.

17 (4) AS USED IN THIS SECTION:

18 (A) "BOOK VALUE" MEANS ACTUAL COST LESS ACTUAL TAKEN  
19 DEPRECIATION.

20 (B) "FAIR MARKET VALUE" MEANS THE VALUE OF THE PREMISES AS  
21 DETERMINED BY THE AVERAGE OF APPRAISALS DONE BY 2 QUALIFIED REAL  
22 ESTATE APPRAISERS.

23 (C) "LEASED MARKETING PREMISES" MEANS A PREMISES OWNED,  
24 LEASED, OR CONTROLLED BY A FRANCHISOR AND IN WHICH A FRANCHISEE  
25 IS AUTHORIZED UNDER A FRANCHISE AGREEMENT TO SELL, CONSIGN, OR  
26 DISTRIBUTE MOTOR FUEL.