

## 1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 46.2-1570 of the Code of Virginia, relating to motor vehicle dealers and*  
3 *manufacturers; franchises; discontinuation of manufacturing rights.*

4 [S 1333]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 46.2-1570 of the Code of Virginia is amended and reenacted as follows:**8 **§ 46.2-1570. Discontinuation of distributors.**

9 A. If the contract between a distributor and a manufacturer or importer is terminated or otherwise  
10 discontinued, all franchises granted to motor vehicle dealers in Virginia by that distributor shall continue  
11 in full force and shall not be affected by the discontinuance, except that the manufacturer, factory  
12 branch, distributor, representative, or other person who undertakes to distribute motor vehicles of the  
13 same line-make or the same motor vehicles of a ~~re named~~ *renamed* line-make shall be substituted for  
14 the discontinued distributor under the existing motor vehicle dealer franchises and those franchises shall  
15 be modified accordingly.

16 B. If a manufacturer or factory branch (i) (a) discontinues its right to manufacture a line-make of  
17 motor vehicles or (b) sells or otherwise transfers its right to manufacture a line-make of motor vehicles  
18 to another manufacturer or factory branch that will manufacture motor vehicles of the same line-make  
19 and (ii) the acquiring manufacturer or factory branch does not honor the existing franchise agreements  
20 of motor vehicle dealers in Virginia of the same line-make, such discontinuation, sale, or transfer shall  
21 constitute a termination of the franchise pursuant to subdivisions 5b and 5c of § 46.2-1569 and such  
22 motor vehicle dealers shall be entitled to compensation pursuant to those subdivisions.

ENROLLED

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