

# WEST VIRGINIA CODE: §47-11C-5

## **§47-11C-5. Termination of or refusal to renew franchise; notice; grounds.**

(1) No producer directly or indirectly through any officer, agent or employee shall terminate, cancel, or refuse to renew a franchise without good cause or other grounds as provided in this section, and without having first given written notice to the dealer. Such notice shall contain a statement of the producer's intention to terminate, cancel, or refuse to renew, the reasons therefor, the date on which such action shall take effect, and a reference to this article and the remedies available to such dealer. Such notice must be given at least sixty days in advance of the action to be taken, except where the premises have been abandoned by the dealer for five consecutive days or where the producer and dealer mutually agree in writing to a shorter notice period. In circumstances where it would not be reasonable to provide advance notice of sixty days, the franchiser shall provide notice at the earliest date as is reasonably practicable. In no event shall any such notice period be less than thirty days.

(2) It shall be a violation of this article for any producer to directly or indirectly terminate, cancel or fail to renew an agreement with the dealer unless the termination, cancellation or failure to renew is for good cause. Good cause includes but is not limited to:

- (a) Where the dealer has filed for or has been declared bankrupt or has petitioned for a reorganization, creditor arrangement or insolvency under the applicable statutes;
- (b) Where there has been dissolution of a partnership or corporation or other entity carrying on the business;
- (c) Where the producer has lost its right to grant possession of the premises;
- (d) Where there has been willful or malicious destruction of the property of the producer by the dealer;
- (e) Where there has been failure to pay financial obligations to the lessor producer when due, including, but not limited to, rents or payment for gasoline, petroleum products or accessories supplied to the lessee dealer by the lessor producer;
- (f) Where there has been adulteration, commingling, mislabeling or misbranding of products supplied by the producer;
- (g) Where there has been failure by the dealer to comply with federal, state or local laws or regulations which are related to the operation of the gasoline service station business and which may affect the relationship between the producer and the dealer and such failure to comply therewith has or may have an adverse effect on the producer;
- (h) Where there has been a conviction of the dealer of a criminal offense which is related to

the operation of the business or would affect the ability of the dealer to operate the business or would tend to defame the reputation of the producer;

(i) Where there has been the death or other incapacity of the dealer to manage his station;

(j) Where the producer totally withdraws from marketing in the state in which the leased property is located;

(k) Where there has been the receipt by the producer of twenty-four written bona fide customer complaints concerning the dealer's quality of service or unsanitary restrooms within any twelve-month period;

(l) Where there has been expropriation, appropriation, condemnation, or other taking of the premises, in whole or in part, pursuant to the power of eminent domain; or

(m) Where there has been substantial damage to or loss of the premises covered by the agreement.

(3) Nothing in subsection two shall prohibit termination, cancellation or failure to renew:

(a) If there is a failure on the part of the producer and the dealer to agree upon the terms of a renewal agreement where both parties have acted in good faith in trying to effect such a renewal;

(b) If there is a mutual termination executed by the parties;

(c) Where there is such cause for termination as a court of competent jurisdiction might find to be reasonable and just under all of the circumstances; or

(d) If the producer intends to use the premises for purposes other than the sale of motor fuel: Provided, That motor fuel may not be sold for a period of two years following the date of termination, cancellation or failure to honor the option to renew.