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## **Oregon Legislation: HB 3164 - Equipment Dealer Agreements Related to Competitive Circumstances Changes**

**Deere Position:** Oppose

**Background:** HB 3164 – Agriculture Equipment Dealer Agreements legislation changes the current provisions contained in Oregon Code 646A 300, 312 and 322: Farm Implement Purchasing.

**Rationale for Opposition:** John Deere supports the private right to contract between parties without legislative intervention. HB 3164 interferes with that right. Specifically in regard to HB 3164, Deere opposes the legislation for the following reasons:

- Some of the proposed language in HB 3164 that has been introduced at the request of the Pacific Northwest Hardware and Implement Association could negate provisions of Deere's future dealer contracts. The changes made to Section 1(2) imply that terms of a dealer agreement should **not** be considered when determining whether a manufacturer has imposed a substantial change in competitive circumstances upon a dealer.
- John Deere's future contract provisions related to termination for good cause, parts definitions, warranty, termination proceedings and cure processes for deficiencies would all be negatively impacted.
- Recent indications from the Pacific Northwest Association Hardware and Implement Association have been that the association has no problems with John Deere and its contract process in regard to the competitive circumstances clause. Rather a different manufacturer has been identified to have generated this bill. The consequences of enacting HB 3164 in its current form will be nullification of any rights or obligations connected to "competitive circumstances" and agreed to by parties.

**Summary:** If enacted in its current form, HB 3164 would result in a law that is more ambiguous and problematic than current law. John Deere's future contracts would be disregarded in situations involving "competitive circumstances". John Deere believes that it is in everyone's best interest to allow parties to negotiate contract terms to govern their relationship without government intervention.