

REVENUE: No revenue impact

FISCAL: No fiscal impact

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Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Laura Handzel, Administrator

Meeting Dates: 5/21, 5/28

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**WHAT THE MEASURE DOES:** Clarifies when farm implement supplier may, with good cause, terminate, cancel or not renew retailer agreement or change retailer's competitive circumstances. Modifies meaning of "change in competitive circumstances." Increases length of notice supplier must provide retailer before terminating, canceling or not renewing agreement or changing retailer's competitive circumstances when retailer fails to meet marketing criteria from 12 months to 18 months. Contains scrivener's changes. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Provisions of measure
- Negotiations by stakeholders
- Additional amendments needed

**EFFECT OF COMMITTEE AMENDMENT:** Proposed -A11 amendment clarifies definition of "change in competitive circumstances."

**BACKGROUND:** Oregon's Equipment Dealer Protection Laws (contained at ORS 646A.300 to 646A.322) address provisions governing agreements between retailers and suppliers of farm implements. The statutes outlines reasons constituting good cause for which a supplier may terminate, cancel or not renew an agreement or change the retailer's competitive circumstances with immediate notice and no right for the retailer to cure any deficiency. A supplier cannot make a change in a retailer's competitive circumstances without good cause. The term "change in competitive circumstances" is defined to mean a material detrimental effect on a retailer's ability to compete with another retailer selling the same brand of farm implements.

House Bill 3164-A clarifies the conditions under which a supplier may claim good cause to terminate, cancel or fail to renew or make a change in competitive circumstances. The bill also modifies the definition of "change in competitive circumstances" to include an event, act, or omission that has a negative impact, whether or not the agreement between the retailer and supplier allowed or provided for the event, act or omission. Additionally, the bill increases the supplier notice requirement from 12 months to 18 months in advance of their intent to terminate, cancel, or not renew an agreement, or to cause a change in the competitive circumstance for the retailer when there is good cause based on the retailer's failure to meet marketing criteria.

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*This summary has not been adopted or officially endorsed by action of the committee.*