

**Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session**  
**STAFF MEASURE SUMMARY**  
**Senate Committee On Judiciary**

**MEASURE: HB 3164 B**  
**CARRIER: Sen. Kruse**

**Fiscal:** No Fiscal Impact

**Revenue:** No Revenue Impact

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**Action Date:** 05/28/15

**Action:** Do Pass With Amendments To The A-Eng Bill. (Printed B-Eng.)

**Meeting Dates:** 05/21, 05/28

**Vote:**

Yeas: 4 - Burdick, Kruse, Prozanski, Thatcher

Exc: 1 - Gelser

**Prepared By:** Laura Handzel, Administrator

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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 definition of "change in competitive circumstances" and determination thereof. 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:**

Clarifies determination 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 outline reasons constituting good cause for which a supplier may terminate, cancel or not renew an agreement or change a 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 modifies the definition of "change in competitive circumstances" to include "an event, act, or omission that has" a material detrimental effect on a retailer's ability to compete with another retailer that sells the same brand of farm implements. Additionally, the bill states that a provision or allowance in a retailer agreement for an event, act or omission does not control determination of a change in competitive circumstances, although it may be considered. House Bill 3164-A increases the supplier notice requirement from 12 months to 18 months in advance of supplier's 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.