

## **SB 982 STAFF MEASURE SUMMARY**

### **Senate Committee On Business and Transportation**

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**Prepared By:** Patrick Brennan, LPRO Analyst

**Meeting Dates:** 3/29, 4/17

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#### **WHAT THE MEASURE DOES:**

Regulates the business relationship between equipment suppliers and equipment dealers. Specifies notice requirements and requires good cause for terminating the dealer agreement or other aspects of the business relationship. Specifies actions that constitute good cause and prohibits dealers from taking certain actions. Provides procedure and conditions under which a supplier must repurchase equipment upon termination of the dealer agreement. Outlines requirements for reimbursing dealers for service and repair parts for warranty claims. Authorizes a dealer to bring action to assert rights under the terms of the measure and specifies liability to which a supplier is subject for violating the measure's provisions. Takes effect on 91st day following adjournment sine die.

#### **ISSUES DISCUSSED:**

- Work group appointed to reach consensus
- Changes in equipment industry

#### **EFFECT OF AMENDMENT:**

*[-1 amendment]* Changes prescribed effective date to emergency clause. Modifies definitions in section 1. Modifies language regarding: dealer agreement application to multiple dealer business locations; purchase of all or substantially all of a supplier's inventory, intellectual property or goodwill; termination of dealer agreement; a supplier disapproving a dealer request on sale or transfer of dealership; heirs or family members of individuals with controlling interest in single-line dealer; changing business locations without prior supplier approval; credit due to dealer account following termination of dealer agreement; dividing cost of returning equipment and parts to supplier following dealer agreement termination.

#### **BACKGROUND:**

Senate Bill 782 modifies the regulation of the relationship between manufacturers, suppliers and dealers of equipment such as farm implements, outdoor power equipment, landscaping equipment, construction and mining equipment, or off-road vehicles.