

April 12, 2001

H 1318. FARM MACHINERY FRANCHISE LAW. TO AMEND AND CLARIFY THE FARM MACHINERY FRANCHISE LAW. Amends Article 26 of Ch. 66, Farm Machinery Agreements, to make numerous changes to the statutes regulating the relationship between suppliers and retail dealers of farm, utility or industrial equipment, implements, machinery, or attachments, and outdoor power equipment or repair parts. Provides that such agreements may not be terminated without good cause. Adds to existing grounds for termination under good cause standard the failure of dealer to operate for seven consecutive days, conviction of dealer of felony that affects the relationship, or transfer of interest without consent of supplier. Requires 90 days' notice by supplier of intent to terminate and gives dealer 60 days to cure defect. Clarifies procedures for repurchase of inventory by supplier and for compensation of dealer for work done under suppliers' warranties. Prohibits suppliers from coercing dealer to accept equipment that dealer has not ordered voluntarily, or from conditioning sale of additional equipment on the purchase of other goods or services, or from coercing dealer not to purchase from other suppliers, or from terminating agreement based on circumstance beyond the dealer's control. Effective Oct. 1, 2001.

Intro. by Warwick, Cole, Culpepper.

Ref. to Agriculture	GS 66
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April 24, 2001

H 1318. FARM MACHINERY FRANCHISE LAW. Intro. 4/12/01. House committee substitute makes the following changes to 1st edition. Changes title to *AN ACT TO AMEND AND CLARIFY THE FARM MACHINERY AGREEMENT LAW*. (1) Adds as elements of "good cause" to support the decision of a supplier to terminate a franchise agreement with a dealer the following: (a) dealer's failure to operate in the normal course of business, (b) dealer's conviction of a felony affecting the relationship with the supplier, or (c) dealer's transfer of his interest in the dealership. (2) Adds to statute's definition of "dealer" for purposes of coverage of the statute one who is engaged in the retail sale of construction equipment. (3) Expands the statute's definition of "family member" to include a wider range of relationships. (4) Adds an express provision that no supplier may terminate or fail to renew an agreement except for good cause. (5) Amends GS 66-183 to provide that an agreement regarding the maintenance of inventory may require a supplier to buy back existing inventory when the franchise agreement is terminated by either party, even if the inventory agreement is oral.

July 11, 2001

H 1318. FARM MACHINERY FRANCHISE LAW. Intro. 4/12/01. Senate committee substitute changes 2nd edition by deleting language that makes the act applicable to agreements entered into, modified, transferred, or renewed after Oct. 1, 2001, but retains Oct. 1, 2001, as the act's effective date.

August 7, 2001

SL 2001-343 (H 1318). FARM MACHINERY FRANCHISE LAW. AN ACT TO AMEND AND CLARIFY THE FARM MACHINERY AGREEMENT LAW. Summarized in *Daily Bulletin* 4/12/01, 4/24/01, and 7/11/01. Enacted Aug. 3, 2001. Effective Oct. 1, 2001.