

February 27, 1963.

Senate File 368

Passed on File.

By MAIN, WALKER, COLEMAN and KYHL.

Passed Senate, Date.....

Passed House, Date.....

Vote: Ayes..... Nays.....

Vote: Ayes..... Nays.....

Approved.....

## A BILL FOR

An Act relating to repurchase of equipment and parts by wholesalers from dealers when the dealer and wholesaler discontinue contract relations affecting farm implement and automotive businesses.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 Section 1. Whenever any person, firm or corporation engaged  
2 in the business of selling and retailing farm implements and re-  
3 pair parts for farm implements, or in the business of selling and  
4 retailing automobiles, or trucks, or repair parts for automobiles  
5 or trucks, enters into a written contract evidenced by a fran-  
6 chised agreement whereby such retailer agrees to maintain a stock  
7 of parts or complete or whole machines, and attachments with any  
8 wholesaler, manufacturer, or distributor of farm implements and  
9 machinery or repair parts for farm implements and machinery, or  
10 automobiles or trucks or repair parts for automobiles or trucks,  
11 and either such wholesaler, manufacturer, or distributor or the  
12 retailer desires to cancel or discontinue the contract, such  
13 wholesaler, manufacturer, or distributor, shall pay to such re-  
14 tailer unless the retailer should desire to keep such merchandise,  
15 a sum equal to one hundred (100) percent of the net cost of all  
16 current unused farm implements and machinery and at-  
17 tachments including transportation charges which have been paid  
18 by such retailer. The wholesaler manufacturer, or distributor,  
19 shall pay to such retailer unless the retailer should desire to

20 keep such merchandise, a sum equal to eighty-five (85) percent  
21 of the current net prices on repair parts listed in current price  
22 list or catalogue for farm implements and machinery in stock and  
23 for all automobiles or trucks or repair parts for automobiles or  
24 trucks previously purchased from such wholesaler, manufacturer or  
25 distributor, and held by such retailer on the date of the can-  
26 cellation or the discontinuation of such contract. The whole-  
27 saler, manufacturer or distributor shall also pay such retailer  
28 a sum equal to five (5) percent of the current net price of all  
29 parts returned for the handling, packing and loading of such  
30 parts back to the wholesaler, manufacturer or distributor. Upon  
31 the payment of the sum equal to one hundred (100) percent of the  
32 net cost of such farm implements, farm machinery, plus freight  
33 charges and eighty-five (85) percent of the current net prices  
34 on repair parts, plus five (5) percent handling and loading costs  
35 on repair parts only, or automobiles or trucks, plus freight  
36 charges, or repair parts therefor, plus five (5) percent handling  
37 and loading costs on repair parts only, the title to such farm  
38 implements, farm machinery, and repair parts or automobiles, or  
39 trucks or parts therefor, shall pass to the manufacturer, whole-  
40 saler or distributor making such payment, and such manufacturer,  
41 wholesaler, or distributor shall be entitled to the possession of  
42 such farm implements or automobiles or trucks, or repair parts  
43 therefor.

44 The provisions of this section relating to a retailer's right  
45 to cancel or discontinue a contract and receive payment for  
46 machines, attachments and parts returned shall apply to all con-  
47 tracts now in effect which have no expiration date and are a con-

48 tinuing contract, and all other contracts entered into or re-  
49 newed after July 4, 1963. Any contract in force and effect on  
50 July 4, 1963, which by its own terms will terminate on a later  
51 date shall be governed by the law as it existed prior to this  
52 Act.

1     Sec. 2. The prices of farm implements, machinery, and re-  
2 pair parts therefor, and of automobiles, trucks, and repair  
3 parts therefor, required to be paid to any retail dealer as pro-  
4 vided in section one (1) of this Act shall be determined by  
5 taking the net cost on farm implements, machinery, and attach-  
6 ments, automobiles and trucks, and eighty-five (85) percent of  
7 the current net price of repair parts therefor as shown upon  
8 the manufacturer's, wholesaler's or distributor's price lists  
9 or catalogues in effect at the time such contract is canceled  
10 or discontinued.

1     Sec. 3. If any manufacturer, wholesaler, or distributor of  
2 farm machinery, farm implements, and repair parts for farm  
3 machinery, and farm implements, or of automobiles, trucks, and  
4 repair parts therefor, upon cancellation of a contract by  
5 either a retailer or a manufacturer, wholesaler or distributor,  
6 fails or refuses to make payment to such dealer as is required  
7 by section one (1) of this Act, or refuses to supply farm  
8 machinery, farm implements, and repair parts for farm machinery  
9 and farm implements or automobiles or trucks, or repair parts  
10 therefor, to any retailer of such products, who may have a retail  
11 sales contract dated after July 4, 1963, or a contract with no  
12 expiration date or a continuing contract in force or effect on  
13 the effective date of this Act, with such manufacturer, whole-

14 saler, or distributor, such manufacturer, wholesaler or dis-  
15 tributor shall be liable in a civil action to be brought by  
16 such retailer for eighty-five (85) percent of the current net  
17 price of repair parts and the net cost of such farm implements,  
18 farm machinery and attachments plus freight charges which may  
19 have been paid by the retailer, or repair parts plus five (5)  
20 percent of the current net price of all parts returned, or  
21 automobiles or trucks, plus freight charges which may have been  
22 paid by the retailer or parts therefor, plus five (5) percent  
23 of the net current price of all such parts returned, as may be  
24 on hand on the date of the cancellation or discontinuation of  
25 such contract. Provided further that either party shall give  
26 at least ninety (90) days notice to the other of their inten-  
27 tion to cancel or terminate any contract under the provisions of  
28 section one (1) of this Act.