

Huseman Ch

HSB 124

De Boef

Agriculture

Scherrman

HOUSE FILE

469

BY (PROPOSED COMMITTEE ON AGRICULTURE BILL BY CHAIRPERSON KLEMME)

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act requiring agricultural equipment suppliers to repurchase
2 certain items upon termination of an agricultural equipment
3 dealership agreement.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

1 Section 1. Section 322F.3, subsection 1, unnumbered
2 paragraph 1, Code 2001, is amended to read as follows:

3 If a dealership agreement is terminated by cancellation or
4 nonrenewal, the supplier must repurchase equipment and parts
5 in the dealer's inventory and must repurchase special tools
6 and computer hardware or software required for the dealership.
7 The repurchase is subject to the following conditions:

8 Sec. 2. Section 322F.3, subsection 1, Code 2001, is
9 amended by adding the following new paragraphs:

10 NEW PARAGRAPH. c. The supplier shall pay to the dealer or
11 credit the dealer's account with one hundred percent of the
12 amortized value of any specific computer hardware or software
13 that the supplier required the dealer to purchase within the
14 three years immediately preceding notification by either party
15 of an intent to terminate the contract.

16 NEW PARAGRAPH. d. The supplier shall pay to the dealer or
17 credit the dealer's account with the following amounts for
18 special repair tools that were unique to the supplier's
19 product line and that are in complete and resalable condition:

20 (1) Seventy-five percent of the net cost of special repair
21 tools purchased within the three years immediately preceding
22 notification by either party of an intent to terminate the
23 contract.

24 (2) Fifty percent of the net cost of special repair tools
25 purchased within the four to six years immediately preceding
26 notification by either party of an intent to terminate the
27 contract.

28 NEW PARAGRAPH. e. The supplier shall only be required to
29 repurchase the items described in paragraphs "c" and "d" if
30 the items are free and clear of all claims, liens, and
31 encumbrances, to the satisfaction of the supplier.

32 EXPLANATION

33 This bill requires a supplier of agricultural equipment who
34 has an agricultural equipment dealership agreement with a
35 dealer of agricultural equipment to repurchase certain

1 unencumbered items from the dealer upon termination of the
 2 agreement by cancellation or nonrenewal. The bill requires
 3 the supplier to repurchase at its amortized value any specific
 4 computer hardware or software that the supplier required the
 5 dealer to purchase within the last three years.

6 The bill also requires the supplier to repurchase special
 7 repair tools that were unique to the supplier's product line
 8 and that are in complete and resalable condition. The
 9 supplier must pay the dealer 75 percent of the net cost of
 10 such tools if purchased within the last three years and 50
 11 percent of the net cost if purchased within the last four to
 12 six years.

13
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25
 26
 27
 28
 29
 30
 31
 32
 33
 34
 35

5-2-01/01 Agriculture
5-4-2-01 Do Pass

MAR 1 2001
Place On Calendar

HOUSE FILE 469
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HSB 124)

Passed House, ^(P.759) Date 3-19-01 Passed Senate, ^(P.1048) Date 4-10-01
Vote: Ayes 98 Nays 0 Vote: Ayes 48 Nays 0
Approved April 17, 2001

A BILL FOR

1 An Act requiring agricultural equipment suppliers to repurchase
2 certain items upon termination of an agricultural equipment
3 dealership agreement.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23

HF 469

1 Section 1. Section 322F.3, subsection 1, unnumbered
2 paragraph 1, Code 2001, is amended to read as follows:

3 If a dealership agreement is terminated by cancellation or
4 nonrenewal, the supplier must repurchase equipment and parts
5 in the dealer's inventory and must repurchase special tools
6 and computer hardware or software required for the dealership.

7 The repurchase is subject to the following conditions:

8 Sec. 2. Section 322F.3, subsection 1, Code 2001, is
9 amended by adding the following new paragraphs:

10 NEW PARAGRAPH. c. The supplier shall pay to the dealer or
11 credit the dealer's account with the amortized value of any
12 specific computer hardware or software that the supplier
13 required the dealer to purchase within the five years
14 immediately preceding notification by either party of an
15 intent to terminate the contract.

16 NEW PARAGRAPH. d. The supplier shall pay to the dealer or
17 credit the dealer's account with the following amounts for
18 special repair tools that were unique to the supplier's
19 product line and that are in complete and resalable condition:

20 (1) Seventy-five percent of the net cost of special repair
21 tools purchased within the three years immediately preceding
22 notification by either party of an intent to terminate the
23 contract.

24 (2) Fifty percent of the net cost of special repair tools
25 purchased within the four to six years immediately preceding
26 notification by either party of an intent to terminate the
27 contract.

28 NEW PARAGRAPH. e. The supplier shall only be required to
29 repurchase the items described in paragraphs "c" and "d" if
30 the items are free and clear of all claims, liens, and
31 encumbrances, to the satisfaction of the supplier.

32 EXPLANATION

33 This bill requires a supplier of agricultural equipment who
34 has an agricultural equipment dealership agreement with a
35 dealer of agricultural equipment to repurchase certain

1 unencumbered items from the dealer upon termination of the
2 agreement by cancellation or nonrenewal. The bill requires
3 the supplier to repurchase at its amortized value any specific
4 computer hardware or software that the supplier required the
5 dealer to purchase within the last five years.

6 The bill also requires the supplier to repurchase special
7 repair tools that were unique to the supplier's product line
8 and that are in complete and resalable condition. The
9 supplier must pay the dealer 75 percent of the net cost of
10 such tools if purchased within the last three years and 50
11 percent of the net cost if purchased within the last four to
12 six years.

13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

HOUSE FILE 469

S-3329

1 Amend House File 469, as passed by the House, as
2 follows:

3 1. Page 1, by striking lines 28 through 31 and
4 inserting the following:

5 "NEW PARAGRAPH. e. The dealer shall tender to the
6 supplier the items described in paragraphs "c" and "d"
7 free and clear of all claims, liens, and encumbrances.
8 Any such claim, lien, or encumbrance shall transfer to
9 the proceeds and be paid in the order and priority
10 specified in article 9, part 3, of the uniform
11 commercial code."

By THOMAS FIEGEN

S-3329 FILED APRIL 10, 2001

WITHDRAWN (p.1048)

HOUSE FILE 469

notification by either party of an intent to terminate the contract.

NEW PARAGRAPH. e. The supplier shall only be required to repurchase the items described in paragraphs "c" and "d" if the items are free and clear of all claims, liens, and encumbrances, to the satisfaction of the supplier.

AN ACT

REQUIRING AGRICULTURAL EQUIPMENT SUPPLIERS TO REPURCHASE CERTAIN ITEMS UPON TERMINATION OF AN AGRICULTURAL EQUIPMENT DEALERSHIP AGREEMENT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 322F.3, subsection 1, unnumbered paragraph 1, Code 2001, is amended to read as follows:

If a dealership agreement is terminated by cancellation or nonrenewal, the supplier must repurchase equipment and parts in the dealer's inventory and must repurchase special tools and computer hardware or software required for the dealership. The repurchase is subject to the following conditions:

Sec. 2. Section 322F.3, subsection 1, Code 2001, is amended by adding the following new paragraphs:

NEW PARAGRAPH. c. The supplier shall pay to the dealer or credit the dealer's account with the amortized value of any specific computer hardware or software that the supplier required the dealer to purchase within the five years immediately preceding notification by either party of an intent to terminate the contract.

NEW PARAGRAPH. d. The supplier shall pay to the dealer or credit the dealer's account with the following amounts for special repair tools that were unique to the supplier's product line and that are in complete and resalable condition:

(1) Seventy-five percent of the net cost of special repair tools purchased within the three years immediately preceding notification by either party of an intent to terminate the contract.

(2) Fifty percent of the net cost of special repair tools purchased within the four to six years immediately preceding

BRENT SIEGRIST
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 469, Seventy-ninth General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Approved *April 17*, 2001

THOMAS J. VILSACK
Governor