

House Bill 130

In The House

January 9, 1981	Introduced and referred to Committee on Judiciary.
January 16, 1981	Committee recommend bill do not pass. Rereferred to Committee on Business and Industry.
February 14, 1981	Committee recommend bill do pass as amended.
February 16, 1981	Bill printed and placed on members' desks.
February 17, 1981	Second reading do pass.
February 18, 1981	Correctly engrossed.
February 19, 1981	Third reading passed.

In The Senate

February 20, 1981	Introduced and referred to Committee on Business and Industry.
April 23, 1981	Died in Committee.

HOUSE BILL NO. 130

INTRODUCED BY

Jacobson

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A REMEDY FOR FARM IMPLEMENT DEALERS UPON TERMINATION OF A CONTRACT WITH A DISTRIBUTOR OR MANUFACTURER; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Definitions. As used in [this act], unless the context otherwise requires, the following definitions apply:

(1) "Distributor or manufacturer" means any individual, partnership, association, or corporation supplying farm implements to a retailer.

(2) "Farm implements" includes farm implements, farm machinery, attachments, and repair parts for implements, machinery, and attachments.

(3) "Retailer" means any individual, partnership, association, or corporation engaged in sales of farm implements to the general public.

Section 2. Cancellation of contract -- rights of retailer. (1) Whenever a retailer has entered into a contract with a distributor or manufacturer under which such retailer agrees to maintain a stock of farm implements, and

either party gives notice of the desire to cancel or discontinue the contract, the retailer may:

(a) retain such stock; or

(b) require the distributor or manufacturer to repurchase such stock held by the retailer on the date of termination of the contract for a sum equal to 100% of the net cost of all current unused farm implements or motor vehicles plus any transportation charges that have been paid by the retailer.

(2) Upon payment of the sum required by subsection (1)(b) of this section, title of such stock passes to the distributor or manufacturer who is entitled to immediate possession of the stock.

(3) If the distributor or manufacturer does not take immediate possession of the stock upon repurchase, the distributor or manufacturer and retailer may enter into an agreement for the return of the farm implements.

Section 3. Remedy as supplemental. The provisions of [this act] are supplemental to any agreement between the retailer and distributor or manufacturer. The retailer can elect to pursue either his contractual remedy or the remedy provided by [section 2]. An election by the retailer to pursue his contract remedy does not bar his right to the remedy provided in [this act] as to those farm implements not covered by the contract remedy.

1 Section 4. Determination of price. The price of farm
2 implements required to be paid to any retailer under
3 subsection (1)(b) of [section 2] shall be determined by
4 taking 100% of the current net cost of farm implements as
5 shown upon the distributors' or manufacturers' price lists
6 or catalogs in effect on the date of termination of the
7 contract plus any documented transportation costs that have
8 been paid by the retailer.

9 Section 5. Failure to pay required sum -- liability.
10 In the event that a distributor or manufacturer of farm
11 implements fails or refuses to make the payment to a
12 retailer under [section 2], such distributor or manufacturer
13 shall be liable in a civil action brought by the retailer
14 for the amount required to be paid under [section 2].

15 Section 6. Effect on existing contracts. The
16 provisions of [this act] are applicable to any contract in
17 existence prior to [the effective date of this act] that has
18 no expiration date and to any continuing contract in force
19 and effect on [the effective date of this act]. [This act]
20 is applicable to all contracts entered into after [the
21 effective date of this act].

22 Section 7. Effective date. This act is effective on
23 passage and approval.

-End-

Approved by Committee
on Business and Industry

HOUSE BILL NO. 130
INTRODUCED BY JACOBSEN

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A REMEDY FOR FARM IMPLEMENT AND HEAVY EQUIPMENT DEALERS UPON TERMINATION OF A CONTRACT WITH A DISTRIBUTOR OR MANUFACTURER; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Definitions. As used in [this act], unless the context otherwise requires, the following definitions apply:

(1) "Distributor or manufacturer" means any individual, partnership, association, or corporation supplying farm implements OR HEAVY EQUIPMENT to a retailer.

(2) "Farm implements" includes farm implements, farm machinery, attachments, and repair parts for implements, machinery, and attachments.

(3) "HEAVY EQUIPMENT" INCLUDES LOGGING, MINING, CONSTRUCTION, AND OTHER HEAVY IMPLEMENT, ATTACHMENT, REPAIR, AND REPLACEMENT PARTS FOR EQUIPMENT, MACHINERY, AND ATTACHMENTS.

~~(3)~~(4) "Retailer" means any individual, partnership, association, or corporation engaged in sales of farm implements to the general public.

Section 2. Cancellation of contract -- rights of retailer. (1) Whenever a retailer has entered into a contract with a distributor or manufacturer under which such retailer agrees to maintain a stock of farm implements OR HEAVY EQUIPMENT, and either party gives notice of the desire to cancel or discontinue the contract, the retailer may:

(a) retain such stock; or

(b) require the distributor or manufacturer to repurchase such stock held by the retailer on the date of termination of the contract ~~for a sum equal to 100% of the net cost of all current unused farm implements or motor vehicles plus any transportation charges that have been paid by the retailer.~~

(2) Upon payment of the sum required by subsection (1)(b) of this section, title of such stock passes to the distributor or manufacturer who is entitled to immediate possession of the stock.

(3) If the distributor or manufacturer does not take immediate possession of the stock upon repurchase, the distributor or manufacturer and retailer may enter into an agreement for the return of the farm implements OR HEAVY EQUIPMENT.

Section 3. Remedy as supplemental. The provisions of [this act] are supplemental to any agreement between the retailer and distributor or manufacturer. The retailer can

1 elect to pursue either his contractual remedy or the remedy
 2 provided by [section 2]. An election by the retailer to
 3 pursue his contract remedy does not bar his right to the
 4 remedy provided in [this act] as to those farm implements OR
 5 HEAVY EQUIPMENT not covered by the contract remedy.

6 Section 4. Determination of price. The ~~price-of--farm~~
 7 implements REPAYMENT required to be paid to any retailer
 8 under subsection (1)(b) of [section 2] shall be determined
 9 by taking ~~100%~~ 85% of the current net cost of farm
 10 implements OR HEAVY EQUIPMENT as shown upon the
 11 distributors' or manufacturers' price lists or catalogs in
 12 effect on the date of termination of the contract plus any
 13 documented transportation costs that have been paid by the
 14 retailer, SUCH IMPLEMENTS OR PARTS THAT ARE NO LONGER
 15 CARRIED ON SUCH PRICE LIST OR CATALOGS AND WERE NOT
 16 PURCHASED BY THE RETAILER WITHIN THE 60 MONTHS PRIOR TO THE
 17 TERMINATION DATE SHALL BE DEEMED OBSOLETE AND BEYOND THE
 18 PURVIEW OF THIS ACT. THE REPAYMENT REQUIRED TO ANY RETAILER
 19 FOR NEW, UNUSED WHOLE GOODS REGARDLESS OF MODEL YEAR SHALL
 20 BE 100% OF INVOICE PRICE.

21 SECTION 5. REPURCHASE OF INVENTORY OF DECEASED
 22 RETAILER. IN THE EVENT OF THE DEATH OF THE RETAILER OR THE
 23 MAJORITY STOCKHOLDER OF A CORPORATION OPERATING AS A
 24 RETAILER, THE MANUFACTURER OR DISTRIBUTOR SHALL, AT THE
 25 OPTION OF THE HEIR OR HEIRS, REPURCHASE THE INVENTORY AS IF

1 THE MANUFACTURER OR DISTRIBUTOR HAD TERMINATED THE CONTRACT.
 2 THE HEIR OR HEIRS SHALL HAVE ONE YEAR FROM THE DATE OF THE
 3 DEATH OF THE RETAILER OR MAJORITY STOCKHOLDER TO EXERCISE
 4 THEIR OPTIONS UNDER [THIS ACT]. NOTHING IN [THIS ACT] SHALL
 5 REQUIRE THE REPURCHASE OF ANY INVENTORY IF THE HEIR OR HEIRS
 6 AND MANUFACTURER OR DISTRIBUTOR ENTER INTO A NEW CONTRACT TO
 7 OPERATE THE RETAIL DEALERSHIP.

8 Section 6. Failure to pay required sum -- liability.
 9 In the event that a distributor or manufacturer of farm
 10 implements fails or refuses to make the payment to a
 11 retailer under [section 2], such distributor or manufacturer
 12 shall be liable in a civil action brought by the retailer
 13 for the amount required to be paid under [section 2].

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 15 provisions of [this act] are applicable to any contract in
 16 existence prior to [the effective date of this act] that has
 17 no expiration date and to any continuing contract in force
 18 and effect on [the effective date of this act]. [This act]
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