



Warranty/Buyback Information by State

The states are listed in alphabetical order in the Table of Contents. To easily find the information for a particular state, hold down the “control” key while clicking on that state in the Table of Contents.

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Executive Summary

**EXECUTIVE SUMMARY
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INTRODUCTION

This Executive Summary contains a state-by-state examination of the *Survey of State Dealership Laws Addressing Termination, Repurchase Requirements and Warranties*. While this Executive Summary highlights the termination, repurchasing, and warranty statutes for each state, it does not discuss relevant case law or otherwise address the interpretation of various state law provisions. As a result, you should consult the broader examination of the statutes contained in this survey, the full text of the statutes, as well as applicable case law, when considering specific termination, repurchase or warranty requirements.

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ALABAMA

See: “The Tractor, Lawn and Garden and Light Industrial Equipment Franchise Act,” Ala. Code § 8-21A-1 *et seq.*

Termination

- Suppliers must provide dealers with at least 90 days’ written notice of their intent to terminate, cancel, or not renew a dealer agreement or change the dealer’s competitive circumstances. The notice must state all reasons relied upon by the supplier to show good cause for the action and must provide the dealer with a reasonable time in which to correct any claimed deficiency, with a minimum cure period of at least six months. Ala. Code § 8-21A-4(a).
- Before termination due to a dealer’s failure to meet reasonable marketing criteria or market penetration, the supplier must provide written notice of that intention at least one year in advance. After notice, the supplier must make good faith efforts to work with the dealer to gain the desired market share including, without limitation, reasonably making available to the dealer an adequate inventory of new equipment and parts and competitive marketing programs. At the end of the one year notice period, the supplier may terminate or elect not to renew the agreement only upon further written notice specifying the reasons for determining that the dealer failed to meet reasonable criteria or market penetration. If the dealer cures the claimed deficiency within 90 days, the agreement is not terminated. Ala. Code § 8-21-4(d).

Repurchase

- Suppliers must provide dealers with repair parts throughout the reasonable useful life of any equipment sold by the supplier or dealer. Ala. Code § 8-21-5(a).
- Suppliers must give written notice and provide to their dealers, on at least an annual basis, an opportunity to return a portion of the dealers’ surplus parts inventory for credit. Ala. Code § 8-21-5(b).
- Suppliers are not required to repurchase certain items. *See* Ala. Code § 8-21A-5(c).
- Suppliers must repurchase inventory from dealers with whom they have entered into agreements that require the dealers to maintain an inventory of equipment and/or repair parts when those agreements are terminated or not renewed by either party. Ala. Code § 8-21A-6(a). *See* Ala. Code § 8-21A-6(d) for exceptions.
- Failure or refusal by a supplier to repurchase any inventory as required by the statute results in civil liability. Ala. Code § 8-21A-6(e).

Warranties

- Suppliers must provide “a fair and reasonable warranty agreement on any new equipment which it sells and shall fairly compensate each of its dealers for parts and labor used in fulfilling the warranty agreement.” Ala. Code § 8-21A-10(a).

- Suppliers may audit warranty claims submitted by their dealers during the year following payment of the claims and may adjust payment for invalid claims. Ala. Code at § 8-21A-10(d).

ALASKA

See: "Distributorships," Alaska Stat. § 45.45.700 et seq.

Repurchase

- *See* Alaska Stat. § 45.45.710 for payment terms.
- If a supplier terminates a distributorship agreement or makes substantial changes in the competitive situation of the dealer, the supplier must: **(1)** purchase that portion of the dealer's business directly affected by the distributorship agreement or the change, including assets and machinery, at commercially reasonable business valuations; and **(2)** reimburse the dealer for the expenses that were necessarily incurred by the dealer **(A)** for that portion of the dealer's business covered by the distributorship agreement; and **(B)** during the 12 months before the termination or change. Alaska Stat. § 45.45.740(a).
- Suppliers must make payments to the dealer not later than three months after the date the agreement is terminated. When the payment is made, the distributor must provide the dealer with a final detailed statement of account for the purchase. Alaska Stat. § 45.45.720.

ARIZONA

See: "Equipment Dealers," Ariz. Rev. Stat. § 44-6701 et seq.

Termination

- Suppliers must give equipment dealers 90 days' written notice of the suppliers' intent to terminate, cancel or not renew a dealer agreement or to change the competitive circumstances of that agreement. The notice must "state the reasons for this action and that the dealer has 60 days to cure any claimed deficiency." Ariz. Rev. Stat. § 44-6703(A).
- The statute prohibits termination, cancellation, failure to renew, or substantial change in the competitive circumstances of a dealership agreement without cause. Ariz. Rev. Stat. § 44-6703(B).

Repurchase

- Arizona requires that upon the cancellation or nonrenewal of a dealer agreement, the supplier must repurchase inventory. Suppliers must also repurchase any specific data processing hardware they required dealers to purchase, including computer systems equipment required for communication, at its fair market value. Ariz. Rev. Stat. § 44-6705(A).
- Suppliers are not required to repurchase certain items. *See* Ariz. Rev. Stat. § 44-6705(F).
- Failure or refusal by a supplier to repurchase inventory as required by the statute results in civil liability. Ariz. Rev. Stat. § 44-6705(G).

ARKANSAS

See: “Farm Equipment Retailer Franchise Protection Act,” Ark. Code Ann. § 4-72-301 *et seq.*

Repurchase

- Suppliers are required to repurchase “that inventory previously purchased from him or her and held by the retailer on the date of termination of the contract.” Ark. Code Ann. § 4-72-304(a).
- *See* Ark. Code Ann. §§ 4-72-304(b)-(c) for payment terms.
- Suppliers are not required to repurchase certain items. *See* Ark. Code Ann. § 4-72-307.
- Failure or refusal by the supplier to repurchase inventory within 60 days after the shipment of the inventory renders the supplier civilly liable. Ark. Code Ann. § 4-72-309.

Warranties

- Warranty claims submitted by dealers must be either approved or disapproved within 30 days of receipt by the supplier. Ark. Code Ann. § 4-72-311(b)(1).
- All claims for payment must be paid within 30 days of their approval and notification of disapproved claims must be made within 30 days of their receipt. Ark. Code Ann. § 4-72-311(b)(2)-(3)(A).
- Claims not specifically disapproved within 30 days are deemed approved and payment must follow within 30 days. Ark. Code Ann. at § 4-72-311(b)(3)(B). Even after termination, a manufacturer must either approve or disapprove warranty claims within 30 days. Ark. Code Ann. § 4-72-311(b)(3)(4).
- Claims not paid within the time allotted accrue interest. Ark. Code Ann. § 4-72-311(b)(3)(5).

CALIFORNIA

See: "Fair Practices of Equipment Manufacturers, Distributors, Wholesalers, and Dealers Act," Cal. Bus. & Prof. Code § 22900 et seq.

Termination

- Generally, a supplier must give dealers 180 days' written notice of the supplier's intent to terminate a dealer contract. The notice must include all reasons constituting good cause for the termination and must provide the dealer with 60 days to cure any claimed deficiency. Cal. Bus. & Prof. Code § 22903(b). *See* Cal. Bus. & Prof. Code § 22903(c) for circumstances in which good cause exists.
- In most cases a supplier may not terminate a dealer contract for the consistent failure to meet and maintain the supplier's requirements for reasonable standards and performance objectives, unless the supplier gives the dealer notice of termination at least one year before the effective date of the termination. Cal. Bus. & Prof. Code § 22903(b).
- If the sales, service, rental, and repair of a supplier's product represents the lesser of 10% of the dealer's total gross annual revenue or \$350,000, the supplier may terminate a dealer contract based on the failure to meet and maintain the supplier's requirements. In such an instance, the supplier must provide at least 180 days' notice. If the dealer achieves the supplier's standards within 60 days of receipt of the termination notice, the notice is deemed void. Cal. Bus. & Prof. Code § 22903(d).

Repurchase

- A supplier must repurchase inventory whenever a dealer contract is terminated by cancellation or nonrenewal. Cal. Bus. & Prof. Code § 22905.
- *See* Cal. Bus. & Prof. Code §§ 22905 (a)-(g) for payment terms.
- Suppliers are not required to repurchase certain items. *See* Cal. Bus. & Prof. Code § 22905(j).

Warranties

- Suppliers must accept or reject all warranty claims submitted for work performed while the dealer contract was in effect, within 45 days after the supplier's receipt of the warranty claim. If the contract is terminated, claims must be submitted within 60 days after termination. If a claim is approved, payment is due within 30 days. If a claim is rejected, the supplier must give the dealer written or electronic notice of the grounds for rejection. Claims not rejected within 45 days are deemed accepted. Cal. Bus. & Prof. Code § 22903.3(a).
- Claims rejected upon the dealer's failure to follow procedural or technical requirements for submission of the claim may be resubmitted within 30 days. Cal. Bus. & Prof. Code § 22903.3(b).
- Suppliers may audit warranty claims submitted by dealers for one year following their submission. Suppliers may adjust repayment for misrepresented claims. If any misrepresented claim is uncovered, suppliers may then audit the previous two years' worth of claims. Cal. Bus. & Prof. Code § 22903.3(e).

- The failure or refusal to pay a dealer for warranty work within 30 days results in the imposition of civil liability. Cal. Bus. & Prof. Code § 22903.3(h).

COLORADO

See: “Farm Equipment Dealerships,” Colo. Rev. Stat. § 35-38-101 *et seq.*

Termination

- Unless the circumstances found in Colo. Rev. Stat. § 35-38-104(2)(b)(I)-(X) apply, a supplier must give an equipment dealer 180 days written notice of the supplier’s intent to terminate, cancel, or not renew a dealer agreement or to change the competitive circumstances of an agreement. Colo. Rev. Stat. § 35-38-104(1)(a).
- The required notice must state the reasons for termination, cancellation, or nonrenewal and must state that the dealer has 180 days in which to cure any deficiency. If the deficiencies are cured within the one hundred eighty day period, suppliers may not terminate, cancel, refuse to renew, or change the competitive circumstances of an agreement for the reasons specified in the notice. Further, the agreement cannot expire, and the supplier cannot change the competitive circumstances of the agreement before the end of the 180 day period without the dealer’s written consent. Colo. Rev. Stat. § 35-38-104(1)(b).
- The statute requires that a supplier may not terminate, cancel, fail to renew, or substantially change the competitive circumstances of a dealership agreement without cause. Colo. Rev. Stat. § 35-35-104(2)(a). *See* Colo. Rev. Stat. § 35-35-104(2)(b) for definition of cause.

Repurchase

- In the event that a dealer agreement is cancelled or not renewed by either party or by mutual consent, suppliers of outdoor power equipment are required to repurchase inventory. Colo. Rev. Stat. § 35-38-106(1).
- Suppliers are required to repurchase any specific data processing hardware and software that the supplier required the dealer to purchase, at fair market value. Colo. Rev. Stat. § 35-38-106(1).
- *See* Colo. Rev. Stat. § 35-38-106(2)-(5) for payment terms.
- Suppliers are not required to repurchase certain items. *See* Colo. Rev. Stat. § 35-38-106(6)(a)-(j).
- Civil liability is imposed on suppliers who either fail or refuse to repurchase inventory as required by the statute. Colo. Rev. Stat. § 35-38-106(7).

Warranties

- Suppliers are required to provide “a fair and reasonable warranty agreement on any new equipment” sold. Colo. Rev. Stat. § 35-38-111(1).
- Warranty claims must be approved or disapproved within 60 days of receipt by the supplier, and paid within 30 days of approval. Colo. Rev. Stat § 35-38-111(2)(a)-(b).
- Suppliers must notify dealers in writing of the specific reason for any disapproval of any warranty claim. Colo. Rev. Stat § 35-38-111(3).

CONNECTICUT

See: “Farm, Forestry, Yard and Garden Equipment Dealers and Suppliers,” Conn. Gen. Stat. § 42-345 *et seq.*

Termination

- Prior to the termination of a dealer agreement, a supplier must notify a dealer of termination no less than 120 days before the effective date of the termination. Conn. Gen. Stat. § 42-346(a).
- Conn. Gen. Stat. § 42-346(b) authorizes suppliers to immediately terminate a dealer at any time upon the occurrence of certain events.
- Without an agreement to the contrary, dealers that intend to terminate a dealer agreement with a supplier must notify the supplier of such intent no less than 120 days prior to the effective date of the termination. Conn. Gen. Stat. § 42-346(c).
- *See* Conn. Gen. Stat. § 42-346(d) for notice requirements.

Repurchase

- Upon termination by either party of a dealer agreement where the dealer agrees to maintain an inventory, suppliers must repurchase inventory upon the dealer’s written request. The written request for repurchase must be filed no later than 30 days after the effective date of the termination. Conn. Gen. Stat. § 42-347(a).
- Suppliers are not required to repurchase certain items. *See* Conn. Gen. Stat. §§ 42-347(a), 42-349.
- Within 90 days after a supplier receives a dealer’s written request for repurchase, suppliers may examine any books or records of the dealer in order to verify the eligibility of any inventory item for repurchase. Conn. Gen. Stat. § 42-348(a).
- *See* Conn. Gen. Stat. § 42-348(b) for payment terms.

Warranties

- In dealership contracts that provide for consumer warranties, suppliers must provide payment on warranty claims within 30 days after the receipt and approval of such claims. Suppliers must approve or disapprove warranty claims within 30 days after the receipt of a claim, and all disapprovals must be made in writing or they are deemed to be approved. Conn. Gen. Stat. § 42-351.

DELAWARE

See: "Equipment Dealer Contracts," Del. Code Ann. tit. 6 § 2720 et seq.

Termination

- Suppliers must provide dealers with a notice of termination no less than six months prior to the effective date of the termination. If the termination results from an ongoing program or standard of which the dealer was aware at least six months prior to termination, the supplier need only provide 90 days' notice of termination. Del. Code Ann. tit. 6 § 2721(a).
- Del. Code Ann. tit. 6 § 2721(a) authorizes suppliers to immediately terminate the agreement at any time after the occurrence of certain events.
- Dealers who terminate a contract agreement with a supplier must notify the supplier of the termination no less than six months prior to the effective date of the termination. Del. Code Ann. tit. 6 § 2721(b).
- Contract agreements between dealers and suppliers may be terminated by the mutual written consent of the parties. Del. Code Ann. tit. 6 § 2721(c).
- Any notification required by the statute must be in writing, and it must be by certified mail or personally delivered to the recipient. Del. Code Ann. tit. 6 § 2721(d).

Repurchase

- Delaware requires suppliers to repurchase a dealer's inventory upon the termination of the dealer agreement by either party. Del. Code Ann. tit. 6 § 2722(a).
- The repurchase requirements under the Delaware statute do not apply to dealer agreements that do not require the dealer to order and maintain an inventory in excess of \$25,000 at current net price from the supplier. Del. Code Ann. tit. 6 § 2722(c).
- Suppliers must repurchase all unsold inventory previously purchased by the dealer within 90 days after termination of the contract. Del. Gen. Stat. tit. 6 § 2723(a).
- *See* Del. Gen. Stat. tit. 6 § 2723(b) for payment terms.
- Suppliers are not required to repurchase certain items. *See* Del. Gen. Stat. tit. 6 § 2724.
- Failure or refusal to repurchase any inventory required to be repurchased results in civil liability imposed under the statute. Del. Gen. Code tit. 6 § 2727.

Warranties

- If a warranty claim is submitted after the termination of the dealer for work performed before termination, the supplier must accept or reject the claim within 45 days from the date the supplier received the claim. If a claim is not rejected within 45 days, it is deemed accepted. All accepted claims must be paid within 60 days after the date the claim is received. Del. Gen. Code tit. 6 § 2726.

FLORIDA

- ❖ Florida regulates the sale, distribution, and dealer agreements for outdoor power equipment through the “Outdoor Power Equipment Manufacturers, Distributors, Wholesalers, and Servicing Dealers Act,” Fla. Stat. § 686.60 *et seq.*

Termination

- Due cause must exist for suppliers to terminate, cancel, or not renew a selling agreement with a dealer. Suppliers must provide at least 90 days’ written notice of the termination or cancellation and state the specific grounds for termination or cancellation. Fla. Stat. § 686.611(c)(1).
- *See* Fla. Stat. § 686.611(c)(2)(a)-(k) for the tests used for determining what constitutes “due cause” for a manufacturer, distributor, or wholesaler to terminate, cancel, or refuse to renew a dealer agreement.

Repurchase

- Upon the termination of a dealer agreement, suppliers are required to repurchase inventory at the dealer’s request. Fla. Stat. § 686.606(1).
- *See* Fla. Stat. § 686.606(2) for payment terms.
- Suppliers are not required to repurchase certain items. *See* Fla. Stat. § 686.606(4).
- The failure or refusal to repurchase any inventory covered in the statute within 60 days after termination of a dealer contract exposes the supplier to civil liability. Fla. Stat. § 686.606(5).

Warranties

- Florida requires every supplier to provide a “fair and reasonable” warranty agreement on any new outdoor power equipment sold. Fla. Stat. § 686.604(1).
 - Dealers must be compensated for warranty claims within 30 days of their approval. Each warranty claim must be approved within 30 days after its receipt. Written notification of the specific grounds for any disapproved claim must be provided with 30 days after the receipt of the claim. Fla. Stat. § 686.604 (2).
- ❖ Florida regulates the conduct of manufacturers, distributors, and dealers of agricultural equipment via the “Agricultural Equipment Manufacturers and Dealers Act,” Fla. Stat. § 686.40 *et seq.*

Termination

- It is unlawful for the supplier, without due cause, to fail to renew a franchise on terms then equally available to all of its dealers, to terminate a franchise, or to restrict the transfer of a franchise unless the franchisee receives fair and reasonable compensation for the inventory of the business. Fla. Stat. § 686.409.

Repurchase

- Every supplier must provide to each of its dealers, annually, an opportunity to return a portion of its surplus parts inventories for credit. The surplus procedure must be administered pursuant to Fla. Stat. § 686.406(3).
- *See* Fla. Stat. § 686.407 for the separate rules governing the repurchase of inventory pursuant to the termination of a franchise agreement.

Warranties

- Suppliers must provide a fair and reasonable warranty agreement on any new equipment which they sell and specify that they must fairly compensate each of their dealers for labor and parts used in fulfilling such warranty agreements. Fla. Stat. § 686.405(1).
- Each claim for payment under such warranty agreements made by a dealer for such labor and parts must be paid within 30 days following its approval or otherwise approved or disapproved within 30 days after its receipt. When any such claim is disapproved, the dealer who submitted it must be notified in writing of such disapproval and the grounds upon which it is based must be stated. Fla. Stat. § 686.405(2)(a).
- Any special handling of claims required of the dealer may be enforced only after 30 days' notice in writing to the dealer and upon good and sufficient reason. Fla. Stat. § 686.405(2)(b).
- Suppliers may audit warranty claims submitted by its dealers only for a period of up to one year following payment of such claims and may charge back to its dealers only those amounts based upon paid claims shown by the audit to be invalid. However, this limitation does not apply in any case of fraudulent claims. Fla. Stat. § 686.405(5).

GEORGIA

- ❖ “Regulation of Agricultural Equipment Manufacturers, Distributors, and Dealers,” Ga. Code Ann. § 13-8-11 *et seq.*

Termination

- Georgia prohibits the termination of a dealer without due cause. Ga. Code Ann. § 13-8-15(3). *See* Ga. Code Ann. § 13-8-15(3)(C) to determine what constitutes due cause.
- Suppliers must generally provide dealers with at least 90 days’ written notice stating the specific grounds for termination. Ga. Code Ann. § 13-8-15(3)(A).
- If the termination is for the dealer’s failure to meet reasonable marketing criteria or market penetration, the supplier must provide at least one year’s written notice. After providing the notice, the supplier must make good faith efforts to work with the dealer to gain the desired market share. At the end of the one year period, the supplier may terminate or elect not to renew only upon further written notice specifying the reasons for determining that the dealer failed to meet the reasonable criteria or market penetration. Ga. Code Ann. at § 13-8-15(3)(B).

Repurchase

- If any dealer enters into a franchise agreement with a supplier, and the dealer is subsequently terminated, the supplier must repurchase the inventory. Ga. Code Ann. § 13-8-22(b).
- *See* Ga. Code Ann. § 13-8-22(b) for payment terms.
- Suppliers are not required to repurchase certain items. *See* Ga. Code Ann. § 13-8-22(d).
- Failure or refusal to repurchase any inventory required to be repurchased results in civil liability imposed under the statute. Ga. Code Ann. § 13-8-22(e).

Warranties

- Suppliers must provide a “fair and reasonable warranty agreement on any new unit of equipment which it sells” and to “fairly compensate each of its dealers for labor and parts used in fulfilling such warranty agreement.” Warranty claims must be either approved or disapproved within 30 days and must be paid within 30 days of their approval. For disapproved claims, suppliers must notify dealers in writing of their disapproval and state the specific grounds upon which the disapproval is based. Any special handling of claims required of the dealer by the supplier, and not uniformly required of all dealers, may be enforced only after 30 days’ written notice to the dealer and “upon good and sufficient reason.” Ga. Code Ann. § 13-8-17(a).
- ❖ Georgia has a separate statute covering “farm equipment and implements.” Ga. Code Ann. § 13-8-1 *et seq.* It does not define “farm equipment or implements” beyond stating that it “means those farm implements primarily designed for use in agriculture.” *Id.* at § 13-8-32(7).

Termination

- It is a violation of the statute to terminate or cancel the franchise or selling agreement of any wholesaler without due cause. Ga. Code Ann. § 13-8-35(c)(3)(A). *See* Ga. Code Ann. § 13-8-35(c)(3)(B) to determine what constitutes due cause.
- *See* Ga. Code Ann. § 13-8-35(c)(3)(A) for notification requirements.

Repurchase

- Every manufacturer must provide to his wholesalers, on an annual basis, an opportunity to return a portion of his surplus parts inventory for credit. The surplus procedure must be administered pursuant to Ga. Code Ann. § 13-8-36(c).
- *See* Ga. Code Ann. § 13-8-42 for the separate rules governing the repurchase of inventory pursuant to the termination of a franchise agreement, including when repurchase is not required.

Warranties

- A supplier must reimburse its wholesalers for any expenses they incur in complying with the provisions of Georgia laws pertaining to warranty requirements for farm equipment or implements as they apply to products of the manufacturer. Ga. Code Ann. § 13-8-37.
- ❖ Georgia has a separate statute governing multiline heavy equipment. *See* Ga. Code Ann. § 10-1-730 *et seq.* “Heavy equipment” means “self-propelled, self-powered, or pull-type equipment and machinery, including diesel engines, weighing 5,000 pounds or more and primarily employed for construction, industrial, maritime, mining, or forestry uses.” *Id.* at § 10-1-731(2). It does not include motor vehicles requiring registration and certificates of title; farm machinery, equipment, and implements; or equipment that is consumer goods. *Id.*

Termination

- Suppliers cannot unilaterally amend, cancel, terminate or refuse to continue to renew any agreement, or unilaterally cause a dealer to resign from an agreement, unless the supplier has first complied with the provisions of this article and good cause exists for amendment, termination, cancellation, nonrenewal, or noncontinuance. Ga. Code Ann. § 10-1-732(a). *See* Ga. Code Ann. § 10-1-732(a) to determine what constitutes good cause.
- A supplier must generally provide a multiline dealer at least 120 days’ prior written notice of any intention to amend, terminate, cancel, or decline to renew any agreement. Ga. Code Ann. § 10-1-733(a)-(b). *See id.* for further notification requirements.
- *See* Ga. Code Ann. § 10-1-733(d) for circumstances in which the agreement may be immediately terminated, amended, cancelled, or allowed to expire with no notice.

Warranties

- *See* Ga. Code Ann. § 10-1-812 for the written notice that the supplier must supply to the dealer and the dealer must present directly to the consumer at the time of purchase. *See also* Ga. Code Ann. § 10-1-813.

IDAHO

- ❖ *See*: “Agreements Between Suppliers and Dealers of Farm Equipment,” Idaho Code Ann. § 28-24-101 *et seq.*

Termination

- The statute prohibits termination, cancellation, failure to renew a dealer agreement, the substantial change of a dealer’s competitive circumstances, the attempt to terminate or cancel, threaten not to renew, or threaten to substantially change the competitive circumstances of a dealer, without good cause. Idaho Code Ann. § 28-24-103(4). *See* Idaho Code Ann. § 28-24-102(7) for definition of good cause; Idaho Code Ann. § 28-24-104(2) for circumstances in which good cause exists.
- Written notice of termination, nonrenewal, or substantial change in the competitive circumstances of the agreement is required 90 days before the proposed action is to become effective. The notice must state the reasons constituting good cause for the proposed action to be taken and must advise the dealer if there is a right to cure. Dealers generally must be given 90 days to cure any claimed deficiency. Idaho Code Ann. § 28-24-104(1).
- Before a supplier may terminate a dealer for the dealer’s failure to achieve market penetration at levels consistent with similarly situated dealerships in the state, the supplier must provide written notice of its intention at least one year in advance. After issuing such a notice, the supplier must provide fair and reasonable efforts to work with the dealer to correct the problem. Idaho Code Ann. § 28-24-104(3).

Warranties

- Dealers may submit warranty claims to suppliers while the dealer agreement is in effect or for work performed while the dealer agreement was in effect. Idaho Code Ann. § 28-24-104B(1).
 - Warranty claims must either be accepted or rejected within 30 days of their receipt and all warranty claims not rejected within 30 days are considered accepted. Accepted warranty claims must be paid within 30 days and written notice of the reason for rejected claims must be sent within 30 days. Idaho Code Ann. § 28-24-104B(2).
 - Idaho does not permit suppliers to audit a dealer’s warranty claims submitted more than two years before the date of the audit. Idaho Stat. Ann. § 28-24-104C.
- ❖ *See*: “Repurchase of Farm Machinery, Equipment, Construction Equipment, Implements, Attachments, Accessories and Parts upon Termination of Contract and Obligation to Repurchase” statute, Idaho Stat. Ann. § 28-23-101 *et seq.*

Repurchase

- Suppliers are required to repurchase extra parts from retailers whenever their agreement terminates, except in cases where the retailer wishes to keep the parts. Idaho Stat. Ann. § 28-23-101. *See id.* for payment terms.

- The statute covers repair parts and specialized repair tools separately. Idaho Stat. Ann. § 28-23-102. *See id.* for payment terms.
- Suppliers are not required to purchase certain items. *See* Idaho Stat. Ann. § 28-23-106.

ILLINOIS

- ❖ *See*: “Illinois Equipment Fair Dealership Law,” 815 Ill. Comp. Stat. § 715/1 *et seq.*

Repurchase

- When either the retailer or manufacturer terminates the retailer agreement, the retailer may require the manufacturer to repurchase inventory previously purchased from the manufacturer. 815 Ill. Comp. Stat. § 715/3-4.
- *See* 815 Ill. Comp. Stat. § 715/4 for payment terms.
- Suppliers are not required to repurchase certain items. *See* 815 Ill. Comp. Stat. § 715/7.

Warranties

- Retailers are entitled to reimbursement for work performed on claims brought under a manufacturer’s express warranty. 815 Ill. Comp. Stat. § 715/4.5
- ❖ Franchisors have additional responsibilities under the “Illinois Franchise Disclosure Act,” 815 Ill. Comp. Stat. § 705/1 *et seq.*

Termination

- Franchisors may not terminate a franchisee prior to the expiration of its term except for good cause. 815 § Ill. Comp. Stat. 705/19. *See* 815 § Ill. Comp. Stat. 705/19 for what constitutes good cause.

Repurchase

- It is a violation for a franchisor to refuse to renew a franchise of a franchised business without compensating the franchisee, either by repurchase or by other means, for the diminution in the value of the franchised business caused by certain circumstances. 815 § Ill. Comp. Stat. 705/20.

INDIANA

See: “Repurchase of Farm or Industrial Machinery Inventory,” Ind. Code § 15-12-3-1 *et seq.*

Repurchase

- Suppliers must repurchase inventory from retailers with whom they have entered into agreements requiring the retailers to maintain an inventory. Ind. Code § 15-12-3-10(a). *See* Ind. Code § 15-12-3-11. Repurchase is not required when a contract is terminated based upon certain circumstances. Ind. Code § 15-12-3-10(c).
- *See* Ind. Code § 15-12-3-12 for payment terms.
- Repurchase of certain items is not required. *See* Ind. Code 15-12-3-15.
- Civil liability is imposed on suppliers who fail or refuse to repurchase inventory as required under the statute. Ind. Code § 15-12-3-15.

IOWA

- ❖ *See*: “Equipment Dealership Agreements,” Iowa Code § 322F.1 *et seq.*

Termination

- Suppliers may terminate their dealership agreements by cancellation or nonrenewal with dealers in Iowa only upon good cause and upon at least 90 days’ prior written notice delivered to the dealer by restricted certified mail or hand delivered by the supplier’s representative. Iowa Code § 322F.2(1)(a). *See* Iowa Code § 322F.1(7) for circumstances in which good cause exists.
- Written notice of termination must specify each deficiency constituting good cause for the action. Iowa Code § 322F.2(1)(b). *See id.* for further notification requirements.

Repurchase

- Whenever 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 provision applies to all new equipment purchased by the dealership from the supplier within the 24 months preceding notification of termination and must be repurchased at 100% of the net cost. Iowa Code § 322F.3(1). *See id.*; Iowa Code § 322F.2 for payment terms.
 - Repurchase of repair parts with limited storage life or otherwise subject to deterioration, including rubber items, gaskets, and batteries as well as parts in broken or damaged packages, single parts priced as a set of two or more, or repair parts not resalable is not required. Iowa Code § 322F.2 (4).
- ❖ Farm implement, motorcycle, snowmobile, and all-terrain vehicle franchises have separate repurchasing requirements under the statute.

Repurchase

- In the event of termination of the franchise, the franchisor is required to repurchase certain items. Iowa Code § 322D.2(1). *See id.* for items and payment terms.
- Repurchase of certain items is not required. *See* Iowa Code § 322D.3.
- In the event that any franchiser fails to make payment to the franchisee within 60 days after the inventory has been received by the franchiser, the franchiser is civilly liable under the statute. Iowa Code § 322D.4.

KANSAS

- ❖ *See*: “Outdoor Power Equipment Dealership Agreements,” Kan. Stat. Ann. § 16-1301 *et seq.*

Termination

- Kansas requires good cause for a supplier to terminate, cancel, or fail to renew an outdoor power equipment dealership agreement. Kan. Stat. Ann. § 16-1306. *See id.* for circumstances in which good cause exists.
- The statute requires at least a 90 day notice of termination, cancellation, or nonrenewal. The notice must state all the reasons constituting good cause, and must provide that the dealer has 60 days to cure any claimed deficiency. If the deficiency is cured within 60 days, the notice is void. Kan. Stat. Ann. § 16-1307(a).
- The statute requires at least a 90 day notice of termination, cancellation, or nonrenewal. The notice must state all the reasons constituting good cause, and must provide that the dealer has sixty days to cure any claimed deficiency. Kan. Stat. Ann. § 16-1307(a).

Repurchase

- Whenever either the retailer or supplier terminates, cancels, fails to renew, or substantially discontinues a dealer contract, the supplier must repurchase inventory pursuant to the guidelines articulated in the statute, unless the retailer opts to keep the inventory. Kan. Stat. Ann. § 16-1303(a).
- *See* Kan. Stat. Ann. § 16-1303(a) for payment terms.
- Repurchase of certain items is not required. *See* Kan. Stat. Ann. § 16-1304.
- Civil liabilities are imposed on suppliers who fail or refuse to pay for items returned for repurchase as required by the statute. Kan. Stat. Ann. § 16-1305.

Warranties

- Any warranty repair work performed for a consumer by a dealer under the provisions of a manufacturer’s express warranty requires the manufacturer to reimburse the dealer at an hourly labor rate which is the same as the hourly labor rate the dealer currently charges consumers for nonwarranty repair work. Kan. Stat. Ann. § 16-120(b).
- ❖ Kansas has two statutes that cover dealership agreements related to farm implements, machinery, attachments and repair parts and also to farm equipment. *See* Kan. Stat. Ann. § 16-1001 *et seq.* and § 16-1201 *et seq.*

Repurchase of farm implements, machinery, attachments and repair parts

- Wholesalers, manufacturers and distributors engaged in a franchise agreement with a dealer or retailer that requires them to maintain a stock of farm implements, machinery, attachments and repair parts must repurchase such parts if they terminate or cancel the franchise agreement. In such circumstances, the wholesaler, manufacturer or distributor must repurchase the items or credit the

retailer's account unless the retailer desires to keep the merchandise. Kan. Stat. Ann. § 16-1002 (a).

- See Kan. Stat. Ann. § 16-1002 (a) for payment terms.
- Repurchase of certain items is not required. See Kan. Stat. Ann. § 16-1003.
- Civil liabilities are imposed on suppliers who fail or refuse to pay for items returned for repurchase as required by the statute. Kan. Stat. Ann. § 16-1005.

Termination of farm equipment dealerships

- No farm equipment manufacturer, directly or through any officer, agent or employee may terminate, cancel, fail to renew or substantially change the competitive circumstances of a dealership agreement without good cause. Kan. Stat. Ann. § 16-1203. See *id.* for circumstances in which good cause exists.
- A farm equipment manufacturer must provide a farm equipment dealer at least 90 days' prior written notice of termination, cancellation or nonrenewal of the dealership agreement. Kan. Stat. Ann. § 16-1204. See *id.* for further notification requirements.

KENTUCKY

See: “Retail Sales of Farm Equipment,” Ky. Rev. Stat. Ann. § 365.800 *et seq.*

Termination

- Kentucky does not allow suppliers to terminate or substantially change the competitive circumstances of a retail agreement contract without good cause. Ky. Rev. Stat. Ann. § 365.831(1). *See id.*; Ky. Rev. Stat. Ann. § 365.831(2) for circumstances in which good cause exists.
- Suppliers cannot terminate or substantially change the competitive circumstances of a retail agreement contract based on high unemployment in the dealership market area, a labor dispute, the results of a natural disaster, including sustained drought, or other circumstances beyond the retailer’s control. Ky. Rev. Stat. Ann. § 365.831(3).
- Suppliers are generally required to provide retailers with at least 90 days’ written notice of termination of a retail agreement contract. Ky. Rev. Stat. Ann. § 365.831(4). *See id.* for notification requirements.

Repurchase

- Suppliers must repurchase inventory from retailers with whom they have entered into a retailer agreement contract if the contract is terminated. Ky. Rev. Stat. Ann. § 365.805.
- Repurchase of all inventory previously purchased from the supplier and held by the retailer on the date of termination is required. Ky. Rev. Stat. Ann. § 365.810(1).
- *See* Ky. Rev. Stat. Ann. §§ 365.810(1)-(4) for payment terms.
- Repurchase of certain items is not required. *See* Ky. Rev. Stat. Ann. § 365.820.

Warranties

- Suppliers must approve or disapprove warranty claims within 30 days of receipt by the supplier. Payment on approved claims must be made within 30 days of their approval. Suppliers must notify retailers of disapproved claims within 30 days and state the specific grounds upon which the disapproval is based. Claims not expressly disapproved within 30 days are deemed approved. Ky. Rev. Stat. Ann. § 365.833(1).
- Suppliers may adjust for errors discovered during an audit. Ky. Rev. Stat. Ann. § 365.833(6).
- Retailers may accept the manufacturer’s reimbursement terms and conditions in lieu of the other provisions provided by the statute. Ky. Rev. Stat. Ann. § 365.833(7).

LOUISIANA

See: “Repurchase of Farm, Industrial and Lawn and Garden Equipment by Wholesaler,”
La. Rev. Stat. Ann. § 51:481 *et seq.*

Termination

- Louisiana prohibits the termination, cancellation, failure to renew, or substantial change in the competitive circumstances of a dealership agreement without good cause. La. Rev. Stat. Ann. § 51:482(A)(1). *See* La. Rev. Stat. Ann. § 51:482(B) for circumstances in which good cause exists.
- Agents must provide at least 90 days’ written notice of termination, cancellation, or nonrenewal of a dealership agreement to the dealer. La. Rev. Stat. Ann. § 51:482(C). *See id.* for further notification requirements.

Repurchase

- Repurchase of all new, unused, and complete equipment is required upon the cancellation or discontinuance of a dealership contract. La. Rev. Stat. Ann. § 51:484. *See* La. Rev. Stat. Ann. § 51:484 for payment terms.
- Louisiana also requires the repurchase of repair parts and specialized equipment the agent required the dealer to purchase upon the cancellation or discontinuance of a dealership contract. La. Rev. Stat. Ann. § 51:485(A).
- Repurchase of repair parts is not required when a dealer fails to return the part to the agent after being offered a reasonable opportunity to do so. Likewise, repurchase of repair parts with a limited storage life or which are otherwise subject to deterioration, such as rubber items, gaskets, single repair parts priced as a set of two or more, and repair parts which because of their condition are not resalable as new parts are not required to be repurchased. La. Rev. Stat. Ann. § 51:484(B).
- *See* La. Rev. Stat. § 51:490(A) for dealer reimbursement terms.
- Civil liabilities are imposed on suppliers who fail or refuse to pay for items returned for repurchase as required by the statute. La. Rev. Stat. Ann. § 51:489.

MAINE

- ❖ *See*: “Farm Machinery, Forestry Equipment and Industrial Equipment Dealerships,” Maine Rev. Stat. Ann. tit. 10 § 1285 *et seq.*

Termination

- A supplier must notify a dealer of termination no less than 120 days prior to the effective date of the termination. However, suppliers may immediately terminate the agreement at any time upon the occurrence of certain events. Maine Rev. Stat. Ann. tit. 10 § 1287(1).
- Dealers who intend to terminate a dealer agreement with their supplier must notify the supplier of that intent no less than 120 days prior to the effective date of the termination. Maine Rev. Stat. Ann. tit. 10 § 1287(2). *See* Maine Rev. Stat. Ann. tit. 10 § 1287(3) for notification requirements.

Repurchase

- Suppliers must repurchase inventory from dealers that have entered into a dealer agreement that requires maintaining an inventory when the agreement is terminated by either party. The request for repurchase must be made by the dealer in writing within 30 days of the termination. Maine Rev. Stat. Ann. tit. 10 § 1288(1). *See id.* for circumstances in which repurchase is not required.
- Repurchase of certain items is not required. *See* Maine Rev. Stat. Ann. tit. 10 § 1290.
- *See* Maine Rev. Stat. Ann. tit. 10 § 1289 for payment terms.

Warranties

- Suppliers must pay any warranty claim made by a dealer with whom it has entered into an agreement that provides consumer warranties, within 30 days after receipt and approval of the claim. Suppliers must either approve or disapprove warranty claims within 30 days of their receipt. If any claim is not specifically disapproved in writing within 30 days after its receipt, it will be deemed approved and payment must be made within 30 days. Maine Rev. Stat. Ann. tit. 10 § 1293(1).
- ❖ A separate section of the statute deals specifically with “Franchise Laws for Power Equipment, Machinery and Appliances.” Maine Rev. Stat. Ann. tit. 10 § 1361 *et seq.*

Termination

- Suppliers are prohibited from terminating or failing to renew a franchisee without good cause. Maine Rev. Stat. Ann. tit. 10 § 1363(3)(c). *See id.* for circumstances in which good cause exists.
- *See* Maine Rev. Stat. Ann. tit. 10 § 1366 for notice requirements.

Warranties

- Suppliers must honor obligations to dealers or distributors to replace goods, reimburse or pay costs and expenses or provide services arising as a result of a

warranty, franchise agreement or other applicable agreement. Maine Rev. Stat. Ann. tit. 10 § 1367.

MARYLAND

See: “Equipment Dealer Contract Act,” Maryland Code Ann. Comm. Law § 19-101 *et seq.*

Termination

- Suppliers are prohibited from terminating, cancelling, failing to renew, or substantially changing the competitive circumstances of a contract without good cause. Maryland Code Ann. Comm. Law § 19-103(a). *See* Maryland Code Ann. Comm. Law § 19-102 for circumstances in which good cause exists.
- If a supplier terminates, cancels, fails to renew, or substantially changes the competitive circumstances of a contract based upon the dealer’s failure to capture the share of the market required in the contract and the supplier has worked with the dealer for a minimum of 12 months to gain the desired market share, the supplier must provide a dealer with at least 90 days’ written notice of the termination of the agreement and a 60 day right to cure. In all other cases, a supplier who terminates, cancels, fails to renew, or substantially changes the competitive circumstances of a contract with good cause is not required to provide any notice or the right to cure a deficiency to a dealer. Maryland Code Ann. Comm. Law § 19-103(b).
- *See* Maryland Code Ann. Comm. Law § 19-103(c)-(d) for notification and notice requirements.

Repurchase

- Whenever a dealer enters into a contract in which the dealer agrees to maintain inventory and the contract is terminated by either party, the supplier must repurchase the dealer’s inventory, unless the dealer chooses to keep the inventory. Maryland Code Ann. Comm. Law § 19-201(a)(1).
- Within 90 days after termination, suppliers must repurchase all inventory previously purchased from the supplier that remains unsold on the date of termination. Maryland Code Ann. Comm. Law § 19-202(a).
- *See* Maryland Code Ann. Comm. Law § 19-202(b) for payment terms.
- Repurchase of certain items is not required. *See* Maryland Code Ann. Comm. Law § 19-203.
- The failure or refusal to repurchase in accordance with the statute results in civil liability for the supplier. Maryland Code Ann. Comm. Law § 19-302.

Warranties

- Suppliers must pay warranty claims from dealers with whom the supplier has entered into a contract, within 30 days after approval of the claim. Suppliers must approve or disapprove warranty claims within 30 days after their receipt. If a claim is disapproved, the supplier must notify the dealer within 30 days stating the specific grounds on which the claim was disapproved. Claims not specifically disapproved in writing within 30 days of their receipt are deemed approved, and payment must follow within 30 days. Maryland Code Ann. Comm. Law § 19-205(a)(1)-(4).

- Claims for warranty work submitted after termination must be paid if the work was performed before termination. Maryland Code Ann. Comm. Law § 19-205 (c).

MASSACHUSETTS

See: “Equipment Dealers,” Mass. Gen. Laws ch. 93G § 1 *et seq.*

Termination

- Suppliers notify dealers no less than 120 days prior to the effective date of their termination. The statute prohibits termination, cancellation, or failure to renew a dealer agreement without cause. Mass. Gen. Laws ch. 93G § 2(a). *See id.* for definition of cause.
- Suppliers may immediately terminate an agreement at any time upon the occurrence of certain events. *See* Mass. Gen. Laws ch. 93G § 2(b).
- Dealers who intend to terminate a dealer agreement must notify their suppliers no less than 120 days prior to the effective date of the termination. Mass. Gen. Laws ch. 93G § 2(c). *See id.* at § 2(d) for notification requirements.

Repurchase

- When a dealer enters into a dealer agreement under which the dealer agrees to maintain an inventory, and the agreement is terminated by either party, the supplier, upon the dealer’s written request filed within 30 days of termination, must repurchase the dealer’s inventory. Repurchase is not required under the statute if: (1) the dealer has made an intentional and material misrepresentation as to the dealer’s financial status; (2) the dealer has defaulted under a chattel mortgage or other security agreement between the dealer and supplier; or (3) the dealer has filed a voluntary petition in bankruptcy. Mass. Gen. Laws ch. 93G § 3(a).
- Suppliers who have received written requests for repurchase are entitled by the statute to examine the dealers’ books and records within 90 days after receiving the request to verify the eligibility of any item for repurchase. Mass. Gen. Laws ch. 93G § 4(a).
- *See* Mass. Gen. Laws ch. 93G § 4(b)-(d) for payment terms.
- Repurchase of certain items is not required. *See* Mass. Gen. Laws ch. 93G § 5.

Warranties

- Massachusetts requires suppliers who have entered into agreements with dealers providing consumer warranties, to pay any warranty claim made for warranty parts and service within 30 days after receiving and approving the claim. Suppliers must disapprove or approve warranty claims within 30 days of receiving a claim. Claims not specifically disapproved in writing within 30 days of receipt are deemed to be approved, and payment must be made by the supplier within 30 days. Mass. Gen. Laws ch. 93G § 8.

MICHIGAN

See: "Farm and Equipment Utility Act," Mich. Comp. Laws § 445.1451 et seq.

Termination

- Michigan prohibits the termination, cancellation, failure to renew, or substantial change in the competitive circumstances of an agreement without good cause. Mich. Comp. Laws § 445.1457a(1).
- Mich. Comp. Laws §§ 445.1457a(1),(3) for notice requirements.

Repurchase

- Michigan requires suppliers to repurchase inventory from dealers that have entered into an agreement with a supplier where the agreement is subsequently terminated, unless the dealer chooses to keep the inventory and is contractually entitled to do so, pursuant to the terms of the statute. Mich. Comp. Laws § 445.1453.
- *See* Mich. Comp. Laws § 445.1454 for payment terms.
- Repurchase of certain items is not required. *See* Mich. Comp. Laws § 445.1456.
- A supplier's failure or refusal to pay for repurchased inventory within 90 days after receipt by the supplier results in civil liability. Mich. Comp. Laws § 445.1457(1).

Warranties

- Whenever an agreement provides for a dealer to service consumer warranties by repairing, returning, or replacing inventory, the supplier must pay any warranty claim made by or through the dealer for warranty parts or service within 90 days after the notice of termination of the agreement. If a claim is not specifically disapproved in writing during the 90-day period after notice of termination of an agreement, stating in detail the reasons for the disapproval, the claim is considered approved and the supplier must pay the dealer for all parts and service applied to the servicing of the warranty claim. Mich. Comp. Laws § 445.1454(12).

MINNESOTA

- ❖ *See*: “Minnesota Agricultural Equipment Dealership Act,” Minn. Stat. § 325E.061 *et seq.*
and “Farm Equipment Dealerships,” Minn. Stat. § 325E.06 *et seq.*

Termination

- Minnesota requires good cause to terminate, cancel, fail to renew, or substantially change the competitive circumstances of a dealership agreement. Minn. Stat. § 325E.062(1). *See id.* for circumstances in which good cause exists.
- Suppliers must provide notice to dealers before termination, cancellation, or nonrenewal of a dealership agreement. Minn. Stat. § 325E.062(2). *See id.* for notice requirements.

Repurchase

- When an agreement to maintain the supplier’s stock of the equipment is terminated, the supplier must repurchase stock. Minn. Stat. § 325E.06(1).
- *See* Minn. Stat. § 325E.06(1)(a)-(e) for payment terms.
- Failure to pay the required repurchase amounts results in civil liability for the supplier. Minn. Stat. § 325E.06(4).
- Repurchase of certain items is not required. *See* Minn. Stat. § 325E.06(4).

Warranties

- The Minnesota statutory provision addressing warranties does not explicitly state that it applies to “outdoor power equipment” or any equivalent. Minn. Stat. § 325E.0631. The relevant statutory provision addresses warranty claims submitted by dealers of farm equipment.
 - Warranty claims must be approved or disapproved within 30 days of receipt by the farm equipment manufacturer. Unless the farm equipment dealer agrees to a later date, approved claims for payment must be paid within 30 days of their approval. When a claim is disapproved, the farm equipment manufacturer must notify the dealer within the 30-day period stating the specific grounds on which the disapproval is based. Any claim not specifically disapproved within 30 days of receipt is deemed approved and must be paid within 30 days. If, after termination of a contract, a dealer submits a warranty claim for warranty work performed before the effective date of the termination, the farm equipment manufacturer shall approve or disapprove the claim within 30 days of receipt. Minn. Stat. §§ 325E.0631(2), (3).
 - The farm equipment manufacturer may adjust for errors discovered during audit, and if necessary, to adjust claims paid in error. Minn. Stat. § 325E.0631(7).
- ❖ A separate portion of the Minnesota statute regulates “Heavy and Utility Equipment Manufacturers and Dealers,” Minn. Stat. § 325E.068.

Termination

- Manufacturers may not cancel or fail to renew a dealer without good cause. Minn. Stat. § 325E.0681(1). *See id.* for circumstances in which good cause exists.
- An equipment manufacturer must provide an equipment dealer at least 90 days prior written notice of termination, cancellation, or nonrenewal of the dealership agreement, and the notice must state all reasons constituting good cause for the action. Minn. Stat. § 325E.0681(2).

Repurchase

- *See* Minn. Stat. § 325E.0681(3) for payment terms on all unused heavy and utility equipment in new condition that has been purchased by the dealer from the manufacturer within the 24 months immediately preceding notification by either party of intent to terminate, cancel, or discontinue the agreement.
- *See* Minn. Stat. § 325E.0681(4) for payment terms on repair parts.
- If payment for any of the repurchased items is made later than 60 days from the date the heavy and utility equipment is received by the manufacturer, interest will accrue. Minn. Stat. § 325E.0681(5).
- Repurchase of certain items is not required. *See* Minn. Stat. § 325E.0681(12).

MISSISSIPPI

See: “Repurchase of Inventories from Retailers Upon Termination of Contract,” Miss. Stat. § 75-77-1 *et seq.*

Termination

- Mississippi prohibits the termination, cancellation, failure to renew, or substantial change in the competitive circumstances of retail agreements by suppliers without good cause. Miss. Stat. § 75-77-2(1). *See id.* for circumstances in which good cause exist.
- The supplier must provide a retailer with at least 90 days’ written notice of termination, cancellation, or nonrenewal of the retail agreement. Miss. Stat. § 75-77-2(2). *See id.* for further notice requirements.

Repurchase

- Suppliers that have entered into contracts with retailers that require retailers to maintain an inventory, upon the retailer’s option, must repurchase inventory upon termination. Miss. Stat. § 75-77-3.
- *See* for Miss. Stat. § 75-77-5 payment terms.
- Repurchase of certain items is not required. *See* Miss. Stat. § 75-77-9.
- Failure or refusal to repurchase and pay the retailer for any inventory required to be repurchased results in civil liability for the supplier within 60 days after the shipment of inventory for repurchase. Miss. Stat. § 75-77-11.

Warranties

- All claims filed for payment on work performed under a supplier’s warranty must be either approved or disapproved within 30 days after the supplier’s receipt of the claim. Any claim not approved or disapproved within 30 days is deemed approved and payment is due within 30 days. Suppliers must notify retailers within 30 days stating the specific grounds for the disapproval. In the case of termination of a retailer agreement, if a retailer submits a claim for work performed before termination, suppliers must accept or reject the claim within 30 days of receipt. Miss. Stat. §§ 75-77-6(a), (b).

MISSOURI

See: “Farm Machinery Inventory Repurchase on Termination,” Mo. Rev. Stat. § 407.850 *et seq.*

Termination

- The Missouri statute prohibits manufacturers, wholesalers, or distributors of outdoor power equipment from terminating, cancelling, or failing to renew their contracts with retailers, without good cause. Mo. Rev. Stat. § 407.895. *See id.* for circumstances in which good cause exists.

Repurchase

- The repurchase provisions of the Missouri statute are not explicit on whether or not outdoor power equipment must be repurchased. Mo. Rev. Stat. § 407.855 provides that a dealer is entitled to “repurchase of farm machinery inventory on termination of dealership...” The section does not state whether outdoor power equipment is required to be repurchased, and the term “farm machinery” is not defined. Given the statute’s very close resemblance to numerous other state statutes that do explicitly require the repurchase of outdoor power equipment and the fact that outdoor power equipment is included in § 407.850, it is likely that repurchase of outdoor power equipment is required.
- Repurchase is required whenever the contract between the retailer and manufacturer is terminated by the manufacturer, upon the retailer’s retirement at age 62, or upon the retailer’s death. Mo. Rev. Stat. § 407.855.
- All payments to retailers are due within 60 days after the return of the implements, machinery, attachments or repair parts. Mo. Rev. Stat. § 407.855.
- *See* Mo. Rev. Stat. § 407.860 for payment terms.
- Repurchase of certain items is not required. *See* Mo. Rev. Stat. § 407.870.
- Manufacturers that refuse or fail to repurchase inventory as required by the statute face civil liability. Mo. Rev. Stat. § 407.875.

Warranties

- Retailers who sell outdoor power equipment, and who do warranty repair work under a manufacturer’s express warranty, are entitled to reimbursement by the manufacturer. Mo. Rev. Stat. § 407.857.

MONTANA

- ❖ *See*: “Cancelled Dealership Contracts, Repurchase Requirements,” Mont. Code Ann. § 30-11-701 *et seq.*; “Termination, Cancellation, Nonrenewal, or Substantial Alteration of Farm Implements, Dealership Agreements,” Mont. Code Ann. § 30-11-801 *et seq.*

Termination

- The Montana statute does not explicitly state whether “outdoor power equipment” is included in its provisions regulating the termination of farm implement dealership agreements. However, it is worth noting that, except in certain circumstances, a dealership grantor must provide at least 90 days’ written notice by certified mail of the termination, cancellation, nonrenewal, or substantial change in competitive circumstances. Mont. Code Ann. § 30-11-803(1). *See id.* for notice requirements.
- If the termination, cancellation, nonrenewal, or substantial change in competitive circumstances is for nonpayment under the agreement, the dealer is entitled to ten days prior written notice by mail. Mont. Code Ann. § 30-11-803(2).

Repurchase

- Montana requires wholesalers, manufacturers, and distributors to repurchase inventory from a retailer if either party cancels a written dealership contract. Mont. Code Ann. § 30-11-702(1). *See id.* for payment terms.
 - There are separate payment terms when a wholesaler enters into a written distribution contract and either the wholesaler, manufacturer, or distributor cancels the contract. Mont. Code Ann. § 30-11-702(2).
 - Repurchase of certain items is not required. *See* Mont. Code Ann. § 30-11-703.
 - The Montana statute imposes civil liability on manufacturers, wholesalers, and distributors who fail to repurchase inventory as required by the statute. Mont. Code Ann. § 30-11-712.
- ❖ *See*: “Termination, Cancellation, Nonrenewal, Substantial Alteration, or Transfer of Construction Equipment Dealership Agreements,” Mont. Code Ann. § 30-11-901 *et seq.* A separate portion of the Montana statute addresses construction equipment dealership agreements. It defines “construction equipment” as any vehicle, machine, or attachment designed or adapted and used in construction, heavy construction, highway construction, and remodeling work. Mont. Code Ann. § 30-11-901(2).

Termination

- The statute prohibits a grantor from either directly or indirectly terminating, cancelling, failing to renew, or substantially changing the competitive circumstances of a dealership agreement without good cause. Mont. Code Ann. § 30-11-902. *See* Mont. Code Ann. § 30-11-901(8)(a) for definition of good cause.
- A grantor must provide a dealer at least 90 days’ prior written notice by certified mail of termination, cancellation, nonrenewal, or substantial change in

competitive circumstances. Mont. Code Ann. § 30-11-903(1). *See id.* for notice requirements.

NEBRASKA

- ❖ *See*: “Equipment Business Regulation Act,” Neb. Rev. Stat. § 87-701 *et seq.*

Termination

- *See* Neb. Rev. Stat. § 87-705(1) for circumstances in which a supplier has good cause to terminate, cancel, or not renew a dealer agreement.
- In general, suppliers must provide 90 days’ written notice of their intention to terminate, cancel, or not renew a dealer agreement. Neb. Rev. Stat. § 87-705(2). *See id.* for notice requirements.

Repurchase

- Upon termination, suppliers are required to repurchase inventory from dealers with whom they have entered into agreements pursuant to which the dealers have agreed to maintain an inventory. Neb. Rev. Stat. § 87-707(1). *See id.* for payment terms.
 - Suppliers must repurchase “at fair market value specialized repair tools purchased by the dealer pursuant to requirements of the supplier from the supplier or an approved vendor of the supplier within three years prior to the date of termination and held by the dealer on the date of termination.” Neb. Rev. Stat. § 87-707(1)(b).
 - Repurchase of certain items is not required. *See* Neb. Rev. Stat. § 87-707(4).
 - If a supplier fails or refuses to repurchase any inventory or specialized repair tools as required, the statute imposes civil liability. Neb. Rev. Stat. § 87-707(5).
- ❖ *See*: “Retail Farm Implements,” Neb. Rev. Stat. § 69-1501 *et seq.* Nebraska has a statute specific to retail farm instruments. It does not, however, define “retail farm instruments,” so industry standards and trade usage should be used in determining what it likely encompasses.

Repurchase

- In the event of termination, the wholesaler, manufacturer or distributor is required to repurchase items whenever the retail dealer has entered into a written contract with a distributor to maintain a stock of parts or complete or whole machines or attachments. Neb. Rev. Stat. § 69-1501. *See id.* for payment terms.

NEVADA

See: “Dealers of Farm Equipment,” Nev. Rev. Stat § 597.112 *et seq.*

Termination

- Nevada prohibits suppliers from terminating, failing to renew, or substantially changing the terms of a dealer agreement without “good cause.” Nev. Rev. Stat. § 597.1143(1). *See* Nev. Rev. Stat. § 597.1143(6) for circumstances in which good cause exists.
- Except in certain situations articulated by the statute, a supplier “may terminate or refuse to renew a dealer agreement for good cause if the supplier provides to the dealer a written notice setting forth the reasons for the termination or nonrenewal of the dealer agreement at least 180 days before the termination or nonrenewal of the dealer agreement.” Nev. Rev. Stat. § 597.1143(2). *See* Nev. Rev. Stat. §§ 597.1143(3), (5) for notice requirements.
- Suppliers may not terminate or refuse to renew a dealer agreement “based solely on the failure of the dealer to comply with the requirements of the dealer agreement concerning the share of the market the dealer was required to obtain unless the supplier has, for not less than one year, provided assistance to the dealer in the dealer’s effort to obtain the required share of the market.” Nev. Rev. Stat. § 597.1143(4).

Repurchase

- Nevada requires suppliers to repurchase inventory upon the termination of a dealer agreement. Nev. Rev. Stat. § 597.1153(1).
- *See* Nev. Rev. Stat. § 597.1153(2) for payment terms.
- Repurchase of certain items is not required. *See* Nev. Rev. Stat. § 597.116.
- If a supplier fails or refuses to repurchase or pay a dealer for inventory required to be repurchased, the statute imposes civil liability. Nev. Rev. Stat. § 597.1163.

Warranties

- Nevada requires suppliers who authorize dealers to perform warranty work to reimburse those dealers who submit claims for warranty work. Nev. Rev. Stat. § 597.1177(2).
- Warranty claims must be paid within 30 days after their approval. Claims must be either approved or disapproved within 30 days after their receipt. If a claim is disapproved, the supplier must send the dealer a written notice setting forth the reasons for disapproval of the claim within 30 days. Warranties not disapproved within 30 days are deemed approved. Nev. Rev. Stat. § 597.1177(3).
- The statute allows suppliers to audit a dealer’s records one year after a warranty claim is submitted, unless a warranty claim is fraudulent. Nev. Rev. Stat. § 597.1177(7).

NEW HAMPSHIRE

See: “Regulation of Business Practices Between Motor Vehicle Manufacturers, Distributors and Dealers.” N.H. Rev. Stat. Ann. § 357-C:1 *et seq.*

Termination

- A manufacturer, distributor, or branch or division bears the burden of proof for showing that it has acted in good faith, that all notice requirements have been satisfied, and that there was good cause for the franchise termination, cancellation, nonrenewal or noncontinuance. N.H. Rev. Stat. Ann. § 357-C:7(IV).
- *See* N.H. Rev. Stat. Ann. § 357-C:7(II) for circumstances in which good cause exists.
- *See* N.H. Rev. Stat. Ann. § 357-C:7(III) for circumstances in which good cause does not exist.
- *See* N.H. Rev. Stat. Ann. § 357-C:7(V) for notice requirements.

Repurchase

- *See* N.H. Rev. Stat. Ann. § 357-C:7(VI) for payment terms.
- *See* N.H. Rev. Stat. Ann. § 357-C:7(VII) for payment terms in circumstances in which termination, cancellation, or nonrenewal is premised upon a change in ownership operation or control of the manufacturer; termination suspension or cessation of all or part of the business operation of the manufacturer; or discontinuance of the sale of the product line make or a change in distribution system by the manufacturer.
- *See* N.H. Rev. Stat. Ann. § 357-C:7(VIII) for payment terms regarding computer software or hardware.
- Payments must be made within 90 days of the effective date of the termination. Additionally, the manufacturer must pay the franchisee an additional 5% per month of the amount due for any payment not made within 90 days of the effective date of the termination. N.H. Rev. Stat. Ann. § 357-C:7(IX).

Warranties

- A supplier must fulfill the terms of any express or implied warranty it makes concerning the sale of a new motor vehicle to the public or ultimate purchaser of the line make which is the subject of a contract or franchise agreement. N.H. Rev. Stat. Ann. § 357-C:8(I).
- All warranty claims made by new motor vehicle dealers pursuant to this section for labor and parts shall be paid within 30 days following their approval. All such claims shall be either approved and paid or disapproved within 30 days after their receipt, and any claim not specifically disapproved in writing within such period shall be deemed approved. Notice of rejection of any claim shall be accompanied by a specific statement of the grounds on which the rejection is based. N.H. Rev. Stat. Ann. § 357-C:8(II)(d)(1).
- A manufacturer, distributor, branch, or division shall retain the right to audit warranty claims for a period of 9 months after the date on which the claim is paid

and charge back any amounts paid on claims that are false or unsubstantiated.
N.H. Rev. Stat. Ann. § 357-C:8(II)(d)(2).

NEW JERSEY

See: “Franchise Practices Act,” N.J. Rev. Stat. Ann. § 56:10-1 *et seq.*

Termination

- It is a violation of the statute for a franchisor to terminate, cancel or fail to renew a franchise without good cause. The statute limits good cause to failure by the franchisee to substantially comply with those requirements imposed upon him by the franchise. N.J. Rev. Stat. Ann. § 56:10-5.
- It is also a violation of the statute for any franchisor to terminate, cancel, or fail to renew a franchise without having first given written notice setting forth all the reasons for such termination, cancellation, or intent not to renew to the franchisee at least 60 days in advance of such termination, cancellation, or failure to renew. N.J. Rev. Stat. Ann. § 56:10-5. *See id.* for further notice requirements.

Warranties

- The motor vehicle franchisor must reimburse the motor vehicle franchisee for parts supplied and services rendered under a warranty within 30 days after approval of a claim for reimbursement. All claims for reimbursement must be approved or disapproved within 30 days after receipt of the claim by the motor vehicle franchisor. When a claim is disapproved, the motor vehicle franchisee must be notified in writing of the grounds for the disapproval. A motor vehicle franchisor shall not audit a claim after the expiration of two years following the payment of the claim unless the motor vehicle franchisor has reasonable grounds to believe that the claim was fraudulent. N.J. Stat. Ann. § 56:10-15(f).

NEW MEXICO

See: “Franchise Termination Act,” N.M. Stat. § 57-23-1 *et seq.*

Repurchase

- *See* N.M. Stat. § 57-23-3(A) for payment terms.
- Payment must be made before the 61st day after the day that the supplier receives inventory from the dealer and after the dealer has furnished proof that the inventory was purchased from the supplier. N.M. Stat. § 57-23-3(C).
- Repurchase of certain items is not required. *See* N.M. Stat. § 57-23-4.
- The statute imposes liability for failing to pay for repurchased inventory or for late payment. N.M. Stat. § 57-23-6.

Warranties

- If after the termination of a franchise, the dealer submits a warranty claim to the supplier for work performed prior to the effective date of the termination, the supplier must accept or reject the claim not later than the 45th day after the day that the supplier receives the claim. A claim not rejected before the deadline shall be deemed accepted. The supplier must pay an accepted claim not later than the 60th day after the day that the supplier receives the claim. N.M. Stat. § 57-23-5.

NEW YORK

See: “Dealer Agreements for the Sale of Farm Equipment,” N.Y. Gen. Bus. Law § 696-a *et seq.*

Termination

- Suppliers must give dealers 90 days’ written notice of the suppliers’ intent to terminate, cancel, or not renew the dealer agreement. N.Y. Gen. Bus. Law § 696-c(1). *See* N.Y. Gen. Bus. Law § 696-c(2) for exceptions to this notice requirement.
- *See* N.Y. Gen. Bus. Law §§ 696-c(2)(g)-(k) for circumstances in which cause exists.

Repurchase

- Suppliers must provide to their dealers, on an annual basis, an opportunity to return a portion of their surplus inventory for credit. N.Y. Gen. Bus. Law § 696-e(2).
- Repurchase of equipment by a supplier upon termination is required when a dealer agrees to maintain an inventory of equipment or repair parts and the dealer agreement is subsequently terminated. N.Y. Gen. Bus. Law § 696-f(1).
- *See* N.Y. Gen. Bus. Law § 696-f(2) for payment terms.
- Repurchase of certain items is not required. *See* N.Y. Gen. Bus. Law § 696-f(4).
- The statute imposes civil liability if a supplier fails or refuses to repurchase any inventory as required by the statute within 60 days after termination. N.Y. Gen. Bus. Law § 696-f(5).

Warranties

- Suppliers must provide a “fair and reasonable warranty agreement on any new equipment” sold and to “fairly compensate each of its dealers for labor and parts used in fulfilling such warranty agreement.” All warranty claims must be either approved or disapproved within 30 days. For disapproved claims, suppliers must provide dealers with written notice of their disapproval which must state the specific grounds upon which the disapproval is based. N.Y. Gen. Bus. Law § 696-h(1).

NORTH CAROLINA

See: “Farm Machinery Agreements,” N.C. Gen. Stat. § 66-180 *et seq.*

Termination

- North Carolina requires suppliers who terminate, cancel, fail to renew, or substantially change the competitive circumstances of a retail agreement with a dealer without good cause to notify the dealer no less than 90 days before the effective date of the termination. N.C. Gen. Stat. § 66-182(a). *See* N.C. Gen. Stat. § 66-182(c) for notice requirements.
- *See* N.C. Gen. Stat. § 66-180(6) for circumstances in which good cause exists.
- Suppliers who terminate or otherwise fail to renew or substantially change the competitive circumstances of an agreement with a dealer for good cause are not required to notify the dealer of the termination or to provide a right-to-cure deficiency. N.C. Gen. Stat. § 66-182(a1).

Repurchase

- Suppliers must repurchase inventory from dealers when the dealer has entered into an agreement to maintain an inventory, and the agreement is terminated by either party. N.C. Gen. Stat. § 66-183(a).
- *See* N.C. Gen. Stat. §§ 66-184(b), (d) for payment terms.
- Suppliers must repurchase all unsold inventory previously purchased from the supplier within 90 days after termination of the agreement. N.C. Gen. Stat. § 66-184(a).
- Repurchase of certain items is not required. *See* N.C. Gen. Stat. § 66-185.
- The failure or refusal to repurchase any inventory under the statute results in civil liability. N.C. Gen. Stat. § 66-188(a).

Warranties

- In situations where a supplier and a dealer have entered into an agreement, suppliers must pay any warranty claims made by the dealer for warranty parts or service within 30 days after its approval. The approval or disapproval of warranty claims must be made within 30 days of their receipt. Dealers must be notified within 30 days of any disapproval stating the specific grounds upon which the disapproval is based. Any claims not specifically disapproved or approved within 30 days are deemed approved. N.C. Gen. Stat. § 66-187(a).
- If payment on warranty claims is not made within the time allotted, interest accrues at the maximum lawful interest rate. N.C. Gen. Stat. § 66-187(d).

NORTH DAKOTA

- ❖ *See*: “Miscellaneous Provisions,” N.D. Cent. Code § 51-07.00.1 *et seq.*

Termination

- North Dakota prohibits the termination, cancellation, or failure to renew a contract with a retailer without good cause. N.D. Cent. Code § 51-07-01.1(1). *See* N.D. Cent. Code § 51-07-01.1(2) for circumstances in which good cause exists.
- The determination for the termination, cancellation, or failure to renew must be made in good faith. N.D. Cent. Code § 51-07-01.1(2).

Repurchase

- North Dakota requires repurchase in instances where retailers have entered into contracts with manufacturers, wholesalers, or distributors under which the retailers agree to maintain a stock of the merchandise, and any party desires to terminate, cancel, or discontinue the contract. N.D. Cent. Code § 51-07-01(1).
 - *See* N.D. Cent. Code § 51-07-01(1) for payment terms.
- ❖ *See*: “Heavy Construction Equipment Franchise Termination,” N.D. Cent. Code § 51-20.1-01 *et seq.* North Dakota governs the termination of heavy construction equipment franchises via a separate section of the statute. It defines “heavy construction equipment” as “self-propelled or pull-type construction machinery, and accessories therefore, primarily used in projects requiring paving, earthmoving, or bridge, road, highway, and commercial building construction.” N.D. Cent. Code § 51-20.1-01(2).

Termination

- It is a violation of the statute to terminate, cancel, or fail to renew the contract without good cause. N.D. Cent. Code § 51-20.1-03(1). *See* N.D. Cent. Code. § 51-20.1-03(2) for the definition of good cause. The good cause determination must be made in good faith. N.D. Cent. Code. § 51-20.1-03(2).

Repurchase

- In the event of termination, the distributor is required to repurchase items when the retail dealer has entered into a written contract with a distributor to maintain a stock of heavy construction equipment, repair parts, or both heavy construction equipment and repair parts. N.D. Cent. Code §51-20.1-02.
- *See* N.D. Cent. Code §51-20.1-02 for payment terms.

OHIO

See: “Farm Machinery or Construction Equipment Dealers and Supplies,” Ohio Rev. Code
§ 1353.01 *et seq.*

Termination

- The Ohio statute prohibits termination, failure to renew, or the substantial alteration of the competitive circumstances of a dealer agreement without good cause. Ohio Rev. Code § 1353.06(A)(1). *See* Ohio Rev. Code §§ 1353.06(A)(2)-(3) for circumstances in which good cause does and does not exist.
- The statute requires suppliers to provide dealers with notice before terminating the dealer agreement. Ohio Rev. Stat. § 1353.06(B). *See id.* for notice requirements.

Repurchase

- Ohio requires suppliers to repurchase inventory upon the termination of a dealer agreement. Ohio Rev. Stat. § 1353.02(A).
- *See* Ohio Rev. Stat. § 1353.02(B) for payment terms.
- Payment is due within 90 days after the supplier receives the inventory. If the supplier fails to pay within 90 days, the supplier must pay interest on the current net price of the inventory. Ohio Rev. Code § 1353.02(C).
- Repurchase of certain items is not required. *See* Ohio Rev. Code § 1353.02(D).
- The statute compels repurchase of inventory by authorizing a civil action if a supplier fails or refuses to repurchase inventory. Ohio Rev. Code § 1353.04.

OKLAHOMA

See: “Fair Practices of Equipment Manufacturers, Distributors, Wholesalers and Dealers Act,” Okla. Stat. tit. 15, § 244 *et seq.*

Termination

- The dealer must give the supplier at least 30 days’ prior written notice of termination. No supplier may terminate a dealer agreement without good cause. Okla. Stat. tit. 15, § 245A.1. *See id.* for circumstances in which good cause exist.
- A supplier must generally provide a dealer at least 180 days’ prior written notice of termination of a dealer agreement. Okla. Stat. tit. 15, § 245A.2. *See id.* for notice requirements.
- The Oklahoma statute has separate termination requirements for single line dealers. No supplier may terminate a dealer agreement without good cause. Further, a supplier must provide a dealer with at least 90 days’ written notice of termination. Okla. Stat. tit. 15, § 245A.3. *See id.* for circumstances in which good cause exist and notice requirements.

Repurchase

- Whenever any dealer enters into a dealer agreement with a supplier and either the supplier or the dealer desires to terminate, or otherwise discontinue the dealer agreement, the supplier must repurchase certain inventory. Okla. Stat. tit. 15, § 246(A).
- *See* Okla. Stat. tit. 15, § 246(A) for payment terms.
- All payments or allowances of credit due to dealers must be paid or credited within 90 days after receipt by the supplier of property required to be repurchased. Any payments or allowances of credit due to dealers that are not paid within the 90-day period will accrue interest at the maximum rate allowed by law. Okla. Stat. tit. 15, § 246(B).
- If any supplier refuses to repurchase any inventory, the supplier will be civilly liable to the dealer. Okla. Stat. tit. 15, § 246(C).
- Repurchase of certain items is not required. *See* Okla. Stat. tit. 15, § 247.

Warranties

- If a dealer submits a warranty claim to a supplier while the dealer agreement is in effect or within 60 days after the termination of the dealer agreement, if the claim is for work performed before the termination or expiration of the dealer agreement, the supplier must accept or reject such warranty claim by written notice to the dealer within 45 days after the supplier’s receipt thereof. If the supplier does not reject the warranty claim in the time period specified above, the claim will be deemed to be accepted. If the supplier accepts the warranty claim, the supplier must pay or credit to the dealer’s account all amounts owed with respect to the claim to the dealer within 30 days after it is accepted. If the supplier rejects a warranty claim, the supplier must give the dealer written or electronic notice of the grounds for rejection, which reasons must be consistent with the supplier’s reasons for rejecting warranty claims of other dealers, both in their

terms and manner of enforcement. If no grounds for rejection are given, the claim will be deemed to be accepted. Okla. Stat. tit. 15, § 245A.5(A).

OREGON

See: “Repurchase of Farm Implements by Supplier from Retailer,” Or. Rev. Stat. § 646A.300 *et seq.*

Termination

- Suppliers may terminate, cancel, fail to renew, or substantially change the competitive circumstances of a retailer agreement for good cause. In a case where good cause exists, the termination, cancellation, failure to renew, or substantial change in the competitive circumstances of a retailer agreement becomes effective upon notice to the retailer. Or. Rev. Stat. § 646A.312(2). *See* Or. Rev. Stat. § 646A.312(1)(a) for circumstances in which good cause exists.
- In cases where good cause does not exist, a supplier must give a retailer 90 calendar days’ written notice of its intent to terminate, cancel, fail to renew, or change the competitive circumstances of a retailer agreement. Or. Rev. Stat. § 646A.312(3)(a). *See* Or. Rev. Stat. §§ 646A.312(3)(b)-(d) for notice requirements.
- The statute requires suppliers to give a retailer one year’s written notice of the retailer’s failure to meet reasonable marketing criteria. Or. Rev. Stat. § 646A.312(4)(a).

Repurchase

- Upon the termination, cancellation, or discontinuance of a retailer agreement, Oregon requires suppliers to repurchase farm implements and repair parts from retailers. Or. Rev. Stat. § 646A.304(1).
- *See* Or. Rev. Stat. § 646A.304(1)(a)-(c) for payment terms.
- Suppliers must provide all payments or allowances due under this section within 90 calendar days of the retailer’s return of the inventory. A supplier who does not provide a payment or allowance within 90 calendar days must pay the retailer interest of 18% per annum on the past due amount until paid. Or. Rev. Stat. § 646A.304(5).

Warranties

- Oregon requires suppliers to pay warranty claims for the retailer’s costs, including but not limited to diagnostic services, repair services, repair parts, and labor. Or. Rev. Stat. § 646A.316(1).
- Suppliers must approve or disapprove warranty claims within 30 days of the receipt of the claim. If a supplier does not approve or disapprove a warranty claim in writing within 30 days of the receipt of the claim, the supplier must pay the claim within 60 days of the receipt of the claim. Likewise, approved claims must be paid within 30 days of approval. Disapproval of any warranty claim must be made in writing and must notify the retailer of the reasons for the disapproval. Or. Rev. Stat. §§ 646A.318(1)-(4).
- Suppliers may audit retailers’ records within one year after payment of a warranty claim. Or. Rev. Stat. § 646.454(7)(a).

PENNSYLVANIA

See: “Pennsylvania Fair Dealership Law,” 73 Pa. Stat. § 205-1 *et seq.*

Termination

- The Pennsylvania statute prohibits suppliers from terminating, cancelling, or failing to renew dealer agreements unless certain circumstances are present. *See* 73 Pa. Stat. § 205-3(b).
- *See* 3 Pa. Stat. § § 205-3(e)-(f) for notification requirements.
- A supplier may terminate, cancel, or fail to renew a dealer agreement “under such conditions as may be provided for in the dealer agreement.” 73 Pa. Stat. at § 205-3(c).

Repurchase

- Upon termination, the Pennsylvania statute requires suppliers, upon the written request of dealers, to repurchase certain items. 73 Pa. Stat. § 205-3(c). *See id.* for payment terms.
- Suppliers must repurchase unused specialized repair tools purchased by dealers pursuant to the requirements of the supplier if they remained unused for more than 12 months after purchase. 73 Pa. Stat. § 205-6.
- Repurchase of certain items is not required. *See* 73 Pa. Stat. § 205-4.
- If a supplier fails to repurchase and make the required payments, it will be liable to the dealer for interest on the unpaid balance of sums owed to the dealer. 73 Pa. Stat. § 205-8.

RHODE ISLAND

See: “Equipment Dealerships,” R.I. Gen. Laws § 6-46-1 *et seq.*

Termination

- The statute provides that no supplier may terminate, cancel, or fail to renew a dealer agreement without cause. R.I. Gen. Laws § 6-46-3(a).
- Before terminating a dealer agreement, suppliers must notify the dealer of the termination no less than 120 days before the effective date of the termination. R.I. Gen. Laws § 6-46-3(a).
- Immediate termination by a supplier is authorized in certain circumstances. *See* R.I. Gen. Laws § 6-46-3(b).
- If a dealer intends to terminate a dealer agreement with a supplier, the statute requires the dealer to notify the supplier of that intent no less than 120 days prior to the effective date of the termination.
- *See* R.I. Gen. Laws § 6-46-3(d) for notice requirements.

Repurchase

- The duty to repurchase inventory is required whenever a dealer enters into a dealer agreement under which the dealer agrees to maintain an inventory, and the agreement is terminated by either party. The dealer must request in writing the supplier’s repurchase within 30 days of the effective date of termination. R.I. Gen. Laws § 6-46-4(a).
- Suppliers may examine any books or records of a dealer who has requested the repurchase of inventory within ninety days from receipt of the written request, to verify the eligibility of any item for repurchase. R.I. Gen. Laws § 6-46-5(a).
- *See* R.I. Gen. Laws § 6-46-5(b) for payment terms.
- Payment for all items returned for repurchase must be made no later than 45 days after receipt of the inventory by the supplier. R.I. Gen. Laws § 6-46-5(d).
- Repurchase of certain items is not required. *See* R.I. Gen. Laws § 6-46-6.

Warranties

- Suppliers must pay any warranty claims made for warranty parts and service within 30 days after receipt and approval. Suppliers must either approve or disapprove warranty claims within 30 days after receiving such claims. Claims not specifically disapproved in writing within 30 days are deemed to be approved, and payment must be made by the supplier within 30 days. R.I. Gen. Laws § 6-46-9.

SOUTH CAROLINA

- ❖ *See*: “Fair Practices of Farm, Construction, Industrial, and Outdoor Power Equipment Manufacturers, Distributors, Wholesalers, and Dealers,” S.C. Code Ann. § 39-6-10 *et seq.*

Termination

- South Carolina prohibits the termination or cancellation of a dealership agreement without due cause. S.C. Code Ann. § 39-6-50(C)(3). *See id.* for circumstances in which due cause exists.
- In most cases, South Carolina requires suppliers to notify dealers in writing of the termination or cancellation of their dealership agreements at least 180 days before termination or cancellation. S.C. Code Ann. § 39-6-60(A). *See id.* for notification requirements.
- If the termination or nonrenewal of a dealer agreement is for the dealer’s failure to meet reasonable marketing criteria or market penetration, the supplier must provide written notice of its intention to terminate or not renew one year in advance. After providing such notice, the supplier must provide fair and reasonable efforts to work with the dealer to gain the desired market share. After one year, the supplier may terminate or elect not to renew the agreement only after providing written notice to the dealer specifying the reasons that the dealer failed to meet reasonable criteria or market penetration. S.C. Code Ann. § 39-6-60(D).
- The statute authorizes immediate notice of termination without an opportunity to cure in certain circumstances. *See* S.C. Code Ann. § 39-6-60(E).

Warranties

- All suppliers of equipment must properly fulfill their warranty agreements and fairly and adequately compensate dealers for labor and parts. S.C. Code Ann. § 39-6-100(A).
 - All warranty claims must be paid within 30 days following their approval. Further, all warranty claims must be either approved or disapproved within 30 days of their receipt. Disapproved claims require a written notice stating the specific grounds for the disapproval. S.C. Code Ann. § 39-6-100(A).
 - Suppliers may audit dealers for sales incentives, service incentives, rebates, or other
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- ❖ *See*: “Franchise Agreements Relating To Retail and Repurchase Farm Implements, etc.,” S.C. Ann. § 39-59-10 *et seq.* A separate section of the South Carolina statute deals with franchise agreements related to the retail of farm implements and other “inventory,” which the statute defines as “farm implements, machinery, utility and industrial, and yard and garden equipment, attachments, or repair parts.” S.C. Code Ann. § 39-59-10(4).

Repurchase

- Suppliers must repurchase inventory from the retailer upon termination of the franchise agreement unless the retailer wishes to keep it. S.C. Code Ann. § 39-59-20.
- *See* S.C. Code Ann. § 39-59-30 for payment terms.
- Payment of the full repurchase amount to the retailer must be made not later than 30 days after the receipt of inventory. S.C. Code Ann. § 39-59-40.
- Repurchase of certain items is not required. *See* S.C. Code Ann. § 39-59-50.

Warranties

- All warranty claims made by the retailer to the supplier for labor and parts must be paid within 30 days following their approval. All warranty claims must be either approved or disapproved within 30 days after their receipt, and any claim not specifically disapproved in writing within 30 days after the receipt is construed to be approved and payment must follow within 30 days. S.C. Code Ann. § 39-59-100.

SOUTH DAKOTA

See: “Vehicle and Implement Dealers – Franchises,” S.D. Codified Laws § 37-5-1 et seq.

Repurchase

- Manufacturers must pay retailers for merchandise in stock if either the manufacturer or retailer desires to cancel or discontinue the contract.
- *See* S.D. Codified Laws § 37-5-5 for payment terms.
- Repurchase is required of any specialized computer hardware or software, specialized tool, or signage which the manufacturer required the dealer to purchase or lease as part of the dealer agreement. S.D. Codified Laws. § 37-5-5.5. *See id.* for payment terms.
- Payment for repurchased items must be made no later than 60 days from the date the repurchased merchandise is received by the manufacturer. S.D. Codified Laws § 37-5-7.1.
- Failure to pay a dealer for items returned for repurchase upon the cancellation of a contract results in civil liability for the manufacturer. S.D. Codified Laws § 37-5-8.

Warranties

- Manufacturers of outdoor power equipment must reasonably compensate retailers for warranty work, including diagnostic work, as well as repair service, parts, and labor. S.D. Codified Laws § 37-5-17.

TENNESSEE

See: “Repurchase of Terminated Franchise Inventory,” Tenn. Code Ann. § 47-25-1301 et seq.

Termination

- Suppliers are prohibited from terminating, cancelling, failing to renew, or substantially changing the competitive circumstances of a retail agreement without good cause. Tenn. Code Ann. § 47-25-1302(a). *See id.* for circumstances in which good cause exists.
- *See* Tenn. Code Ann. § 47-25-1302(b) for notice requirements.

Repurchase

- Retailers that have entered into agreements with suppliers wherein the retailer agrees to maintain an inventory of parts and to provide service have a right to have their inventory and parts repurchased if that agreement is terminated. Tenn. Code Ann. § 47-25-1303.
- *See* Tenn. Code Ann. § 47-25-1305 for payment terms, including payment terms for specific data processing software, software, telecommunications equipment, and specialized repair tools.
- Repurchase of certain items is not required. *See* Tenn. Code Ann. § 47-25-1307.
- The failure or refusal to repurchase inventory and pay the retailer for any inventory required to be repurchased by the statute, results in civil liability for the supplier. Tenn. Code Ann. § 47-25-1308.

Warranties

- Tennessee requires warranty claims submitted by a retailer for payment under warranty agreements pertaining to inventory to be either approved or disapproved within 30 days of receipt by the supplier. All approved claims must be paid within 30 days of their approval. Suppliers must notify retailers of any disapproved claims within 30 days stating the specific grounds upon which the disapproval is based. If a claim is not specifically disapproved within 30 days, it is deemed approved and payment by the supplier must follow within 30 days. Tenn. Code § 47-45-1802(a).
- The supplier has the right to audit and adjust for any errors discovered during an audit of warranty claims. *Id.* at § 47-25-1807.

TEXAS

Outdoor power equipment dealers are governed by one of two sets of laws. Title 4, Chapter 55 of the Business and Commerce Code, though repealed on September 1, 2011, continues to apply to agreements entered into prior to that date, unless the agreement has no expiration date and is a continuing contract, in which case it will be governed by Chapter 57. Chapter 57 took effect September 1, 2011 and applies to a dealer agreement entered into or renewed on or after that date. Chapter 57 also applies to a dealer agreement that was entered into before September 1, 2011, but has no expiration date and is a continuing contract. A dealer agreement entered into before September 1, 2011, other than a dealer agreement that has no expiration date and is a continuing contract, is governed by the law as it existed on the date the agreement was entered into, and the former law (Chapter 55) is continued in effect for that purpose.

- ❖ *See*: “Farm, Industrial, Off-Road Construction, Forestry Harvesting, and Outdoor Power Equipment Dealer Agreements,” Tex. Bus. & Com. Code § 55.001 *et seq.*

Termination

- A supplier may not terminate, cancel, fail to renew, or substantially change the competitive circumstances of a dealer agreement without cause. Tex. Bus. & Com. Code Ann. §§ 55.052; 55.056.

Repurchase

- Before returning inventory, and not later than the 120th day after the effective date of termination, the dealer must submit to the supplier a list of the inventory the dealer intends to return, including, to the extent possible, each item's trade name, description, and serial number. Tex. Bus. & Com. Code § 55.155(b).
- *See* Tex. Bus. & Com. Code § 55.155(b) for notice requirements.
- *See* Tex. Bus. & Com. Code § 55.155 for payment terms.
- *See* Tex. Bus. & Com. Code § 55.156(a) for payment terms on data processing or peripheral equipment, software, or specialized repair tools.
- Repurchase of certain items is not required. *See* Tex. Bus. & Com. Code § 55.158.
- A supplier that fails to make payment before the 61st day after the date the supplier receives the final shipment of the inventory from the dealer is civilly liable to the dealer. Tex. Bus. & Com. Code § 55.157.

Warranties

- A supplier must accept or reject a warranty claim within 30 days. A claim not rejected before that date is considered accepted. After a warranty claim has been accepted or rejected, a supplier has 30 days to pay the accepted claim or send the dealer written notice of the grounds for rejecting the claim. Tex. Bus. & Com. Code Ann. §§ 55.102(a)-(b).
- ❖ *See*: “Fair Practices of Equipment Manufacturers, Distributors, Wholesalers, and Dealers Act,” Tex. Bus. & Com. Code § 57.001 *et seq.*

Termination of Dealer Agreements Other Than Single-Line Dealer Agreements

- A dealer must give the supplier at least 30 days' prior written notice of termination. Tex. Bus. & Com. Code § 57.152.
- A supplier may not terminate a dealer agreement without good cause. Tex. Bus. & Com. Code § 57.153. *See* Tex. Bus. & Com. Code § 57.154 for circumstances in which good cause does and does not exist.
- *See* Tex. Bus. & Com. Code § 57.155 for notice requirements.

Termination of Single-Line Dealer Agreements

- No supplier may terminate a dealer agreement without good cause. Tex. Bus. & Com. Code § 57.202. *See* Tex. Bus. & Com. Code § 57.203 for circumstances in which good cause exists.
- *See* Tex. Bus. & Com. Code § 57.204 for notice requirements.

Repurchase

- When a supplier or dealer terminates or otherwise discontinues the dealer agreement entered into between the two parties, the supplier must repurchase certain items. Tex. Bus. & Com. Code § 57.353. *See id.* for payment terms.
- All payments or allowances of credit due to a dealer must be paid or credited within 90 days after receipt by the supplier of property required to repurchased. Tex. Bus. & Com. Code § 57.354(a).
- Any payment or allowance of credit due to a dealer that is not paid within the 90-day period will accrue interest at the maximum rate allowed by law. Tex. Bus. & Com. Code § 57.354(b).
- A supplier who refuses to repurchase any required inventory is civilly liable to the dealer. Tex. Bus. & Com. Code § 57.355(a).
- *See* Tex. Bus. & Com. Code § 57.357 for circumstances in which **specialty agricultural equipment suppliers are exempted from the repurchasing rules.**
- Repurchase of certain items is not required. *See* Tex. Bus. & Com. Code § 57.358.

Warranties

- Not later than the 45th day after the date a supplier receives a warranty claim from a dealer, the supplier must accept or reject the claim by providing written notice to the dealer. A claim not rejected before that deadline is considered accepted. If the warranty claim is accepted, the supplier shall pay or credit to the dealer's account all amounts owed to the dealer with respect to the accepted claim not later than the 30th day after the date the claim is accepted. If the supplier rejects the warranty claim, the supplier must give the dealer written or electronic notice of the grounds for rejection of a rejected claim, which must be consistent with the supplier's grounds for rejection of warranty claims of other dealers, both in the terms and manner of enforcement. If no grounds for rejection of a rejected claim are given to the dealer, the claim is considered accepted. Tex. Bus. & Com. Code §§ 57.253(b)-(e).

UTAH

See: "Equipment Repurchase from Retail Dealers," Utah Code Ann. § 13-14a-1 et seq.

Termination

- Any retailing agreement between a dealer and a manufacturer or wholesaler that is entered into or renewed after May 1, 1989, shall terminate at will, notwithstanding any agreement or law to the contrary, upon written notice of termination from the dealer. Any right arising from a prior breach of contract survives a termination under this section. Utah Code Ann. § 13-14a-4.

Repurchase

- Utah requires manufacturers and wholesalers to repurchase inventory upon termination in all instances in which the dealer has agreed to offer the products of the manufacturer or wholesaler for retail sale and to stock wholegoods and parts inventories. Utah Code Ann. § 13-14a-2(1).
- *See* Utah Code Ann. §§ 13-14a-2(2)-(5) for payment terms.
- All final payments and credits due to the dealer must be made within 60 days of the date of the shipment of the inventory back to the manufacturer or wholesaler. Utah Code Ann. § 13-14a-2(7).

Warranties

- Equipment dealers may submit warranty claims to a supplier if a warranty defect is identified and documented prior to the expiration of a supplier's warranty while a dealer agreement is in effect, or after termination of a dealer agreement if the claim is for work performed while the agreement was in effect. Suppliers must accept or reject such warranty claims within 30 days of receiving them. Claims not rejected within 30 days are deemed accepted. Payment on accepted warranty claims is due after 30 days. For all rejected claims, suppliers must send the dealer a written notice of the reason the warranty claim was rejected, within 30 days. Utah Code Ann. §§ 13-14b-103(1)-(3).
- Suppliers may not audit a dealer's records concerning any paid warranty claims after a year, except where an audit of records made within one year shows fraudulent claims. Utah Code Ann. § 13-14b-104(1).

VERMONT

See: “Machinery Dealerships,” Vt. Stat. Ann. tit. 9, § 4071 *et seq.*

Termination

- A supplier may not terminate a dealer without first providing 120 days’ written notice by certified mail or personal delivery. Vt. Stat. Ann. tit. 9, § 4072(a), (d). *See id.* for further notification requirements.
- No supplier may terminate, cancel, or fail to renew a dealership agreement without cause. Vt. Stat. Ann. tit. 9, § 4072(a). *See* Vt. Stat. Ann. tit. 9, § 4072(b) for circumstances in which good cause exists.

Repurchase

- Suppliers must repurchase inventory from dealers that have entered into dealership agreements under which the dealer agrees to maintain an inventory, when such a dealership agreement is terminated by either party. The dealer must request the repurchase in writing within 30 days of the effective date of the termination. Vt. Stat. Ann. tit. 9, § 4073(a).
- Within 90 days of receiving a dealer’s written repurchase request, a supplier may examine any books or records of the dealer to verify the eligibility of any item for repurchase. Vt. Stat. Ann. tit. 9, § 4074(a).
- *See* Vt. Stat. Ann. tit., 9 §§ 4074(b)-(d) for payment terms.
- Repurchase of certain items is not required. *See* Vt. Stat. Ann. tit. 9, § 4075.

Warranties

- Suppliers that provide consumer warranties must pay any warranty claim submitted by a dealer within 30 days after its receipt and approval. Suppliers must approve or disapprove warranty claims within 30 days after their receipt. Claims not specifically disapproved in writing within 30 days are deemed approved and payment due within 30 days. Vt. Stat. Ann. tit., 9 § 4078.

VIRGINIA

- ❖ *See*: “Equipment Dealers Protection Act,” Va. Code Ann. § 59.1 – 352.1 *et seq.*

Termination

- Virginia does not allow the termination, cancellation, failure to renew, or substantial change in the competitive circumstances of an agreement without good cause. Va. Stat. Ann. § 59.1-352.3(A). *See* Va. Stat. Ann. § 59.352.1 for circumstances in which good cause exist.
- Dealers must provide 90 days’ prior notice to suppliers before terminating an agreement. Va. Stat. Ann. § 59.1-352.3(B). *See* Va. Stat. Ann. §§ 59.1-352.3(B)-(D) for further notice requirements.

Repurchase

- When a dealer enters an agreement in which the dealer agrees to maintain an inventory, the supplier must repurchase the dealer’s inventory pursuant to the statute if the agreement is terminated by either party, unless the dealer chooses to keep the inventory. Va. Stat. Ann. § 59.1-352.4(A).
- *See* Va. Stat. Ann. §§ 59.1-352.5(B)-(C) for payment terms.
- Repurchase of certain items is not required. *See* Va. Stat. Ann. § 59.1-352.6.

Warranties

- When a supplier and a dealer enter into an agreement, the supplier must pay any warranty claim for parts or service within 30 days after its approval. Claims must be approved or disapproved within 30 days after their receipt. Suppliers must notify dealers in writing within 30 days of any disapproved claims stating the specific grounds upon which the disapproval is based. Claims not specifically disapproved in writing within 30 days are deemed approved and payment must follow within 30 days. Va. Stat. Ann. § 59.1-352.8(A).
 - Warranty claims submitted after termination must be either approved or disapproved within 30 days if the claims are for work performed before termination. Va. Stat. Ann. § 59.1-353.8(C).
 - Interest accrues on all claims not paid within the time allowed under the statute. Va. Stat. Ann. § 59.1-352.8(D).
- ❖ *See*: “Heavy Equipment Dealer Act,” Va. Code. Ann. § 59.1-353 *et seq.* Virginia regulates heavy equipment dealers separately through the Heavy Equipment Dealer Act. “Heavy equipment” is defined as self-propelled, self-powered or pull-type equipment and machinery, including engines, weighing 5,000 pounds or more, primarily employed for construction, industrial, maritime, mining and forestry uses, as such terms are commonly used and understood in the trade. The term “heavy equipment” does not include (i) motor vehicles requiring registration and certificates of title, (ii) farm machinery, equipment and implements sold or leased pursuant to dealer agreements with suppliers discussed above, or (iii) equipment that is considered “consumer goods,” meaning goods that are used or bought for use primarily for personal, family, or household purposes. Va. Code. Ann. § 59.1-353.

Termination

- Good cause must exist for any supplier to unilaterally amend, cancel, terminate or refuse to continue to renew any agreement, or unilaterally cause a dealer to resign from an agreement. Va. Code. Ann. § 59.1-354(A). *See id.* for circumstances in which good cause exist.
- The supplier must provide a dealer at least 120 days' prior written notice of any intention to amend, terminate, cancel or not renew any agreement. Va. Code. Ann. § 59.1-355(A). *See* Va. Code. Ann. §§ 59.1-355(A)-(C) for further notice requirements.
- In certain circumstances notice is not required and the agreement may be immediately terminated. *See* Va. Code. Ann. § 59.1-355(D).

WASHINGTON

See: “Farm Implements, Machinery, Parts,” Wash. Rev. Code § 19.98.008 *et seq.*

Termination

- Suppliers must give dealers 90 days’ written notice of the supplier’s intent to terminate, cancel, not renew a dealership agreement, or substantially change the dealer’s competitive circumstances. Wash. Rev. Code § 19.98.130(1). *See id.* for further notice requirements.
- *See* Wash. Rev. Code § 19.98.130(2) for circumstances in which good cause exist.

Repurchase

- For suppliers who enter into dealership agreements with dealers that require the dealers to maintain a stock of parts and equipment, and either party desires to cancel or discontinue the contract, Washington’s statute requires suppliers to repurchase the parts and equipment. Wash. Rev. Code § 19.98.010.
- *See* Wash. Rev. Code § 19.98.010 for payment terms.

Warranties

- A supplier must fulfill any warranty agreement with each of its dealers for labor and parts relative to repairs of equipment covered by the terms of such an agreement. The supplier must approve or disapprove, in writing, any claim submitted by a dealer for warranty compensation for labor or parts within 30 days of receipt of such a claim by the supplier. The supplier must pay to the submitting dealer any approved dealer claim within 30 days following approval of such a claim. Wash. Rev. Code §§ 19.98.170(1)(A)-(C).
- A supplier may audit warranty claims submitted by its dealers for a period of up to one year following payment of the claims, and may charge back to its dealers any amounts paid based upon claims shown by the audit to be false. The supplier has the right to adjust claims for errors discovered during the audit, and if necessary, to adjust claims paid in error. Wash. Rev. Code §§ 19.98.170(1)(G).

WEST VIRGINIA

See: “Farm Equipment Dealer Contract Act,” W. Va. Code § 47-11F-1 *et seq.*

Termination

- A supplier who terminates a contract or agreement with a dealer must notify that dealer of the termination not less than six months prior to the effective date of the termination. A supplier may terminate an agreement at any time after the occurrence of certain events. *See* W. Va. Code § 47-11F-3(a).
- Any agreement or contract may also be terminated by the written mutual consent of the parties. W. Va. Code § 47-11F-3(c)
- *See* W. Va. Code § 47-11F-3(d) for notice requirements.

Repurchase

- Suppliers who enter into agreements or contracts with dealers must repurchase the dealer’s inventory upon termination, unless the dealer chooses to keep the inventory and advises the supplier in writing. W. Va. Code § 47-11F-4(a).
- *See* W. Va. Code §§ 47-11F-4(d), (e), (g) for payment terms.
- Repurchase of certain items is not required. *See* W. Va. Code § 47-11F-5.

Warranties

- Suppliers must either accept or reject warranty claims submitted after termination for work performed before termination, within a minimum of 45 days from the day the supplier received the warranty claim. Warranty claims not rejected before the 45 day expiration period are deemed to be accepted by the supplier. If a warranty claim is accepted by the supplier, that claim must be paid no later than 60 days from the date the supplier received the claim. W. Va. Code § 47-11F-7.

WISCONSIN

See: "Wisconsin Fair Dealership Law," Wis. Stat § 135.01 et seq.

Termination

- No supplier may terminate, cancel, fail to renew or substantially change the competitive circumstances of a dealership agreement without good cause. Wis. Stat. § 135.03.
- *See* Wis. Stat. § 135.04 for notice requirements.

Repurchase

- If a dealership is terminated by the supplier, the supplier, at the option of the dealer, must repurchase all inventories sold by the supplier to the dealer for resale under the dealership agreement at the fair wholesale market value. This section applies only to merchandise with a name, trademark, label or other mark on it which identifies the supplier. Wis. Stat. § 135.045.

WYOMING

See: “Wyoming Fair Practices of Equipment Manufacturers, Distributors, Wholesalers and Dealers Act,” Wyo. Stat. Ann. § 40-20-101 et seq.

Termination

- Dealers may terminate dealer agreements without cause. Dealers must give at least 30 days’ prior written notice of termination. Suppliers, however, may only terminate for good cause. Wyo. Stat. Ann. § 40-20-115(a). *See id.* for circumstances in which good cause exists.
- *See* Wyo. Stat. Ann. § 40-20-117(a) for notice requirements.

Repurchase

- When a dealer enters into a dealer agreement with a supplier and either party desires to cancel, not renew, or otherwise discontinue the agreement, suppliers must repurchase certain inventory. Wyo. Stat. Ann. § 40-20-120(a).
- *See* Wyo. Stat. Ann. § 40-20-120(a) for payment terms.
- Any payments not made within 90 days begin to accrue interest at the maximum rate allowed by law. Wyo. Stat. Ann. § 40-20-120(b).
- If a supplier refuses to repurchase inventory covered by the statute after cancellation, nonrenewal, or discontinuance of the dealer agreement, the statute imposes civil liability on the supplier. Wyo. Stat. Ann. § 40-20-120(c).
- Repurchase of certain items is not required. *See* Wyo. Stat. Ann. § 40-20-121(a).

Warranties

- Suppliers must accept or reject warranty claims submitted for work performed during the duration of the dealer agreement, or within 60 days after termination if the claim is for work performed before termination, in writing within 30 days of receiving a claim. If a warranty claim is not rejected within 30 days, the claim is deemed accepted. If a supplier accepts a warranty claim, payment or credit to the dealer’s account is due within 30 days after acceptance. Suppliers must provide a written rejection stating the reasons for rejecting the claim, which must be consistent with the reasons for rejecting the claims of other dealers. If no grounds for rejection are given, the claim is deemed accepted. *Id.* Wyo. Stat. Ann. § 40-20-119(a).
- Any claim which is disapproved by the supplier based upon the dealer’s failure to properly follow the procedural or technical requirements for submitting a warranty claim may be resubmitted in proper form by the dealer within 30 days. Wyo. Stat. Ann. § 40-20-119(b).
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