

Sec. 9. **REPEALER.**

Minnesota Statutes 1986, section 116D.045, subdivision 5, is repealed.

Approved April 12, 1988

CHAPTER 502—S.F.No. 2384

An act relating to trade practices; providing for payment to farm implement retailer by successor in interest of the manufacturer, wholesaler, or distributor who repurchases stock and inventory; amending Minnesota Statutes 1986, sections 325E.05; and 325E.06, subdivisions 1, 4, and 5, and by adding a subdivision.

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

Section 1. Minnesota Statutes 1986, section 325E.05, is amended to read:

325E.05 AGRICULTURAL IMPLEMENT DEALERSHIPS; RETURN OF STOCK.

If a franchised agricultural machinery or implement dealership is discontinued for economic reasons, the firm, company, ~~or person,~~ or successor in interest issuing the franchise to the dealer shall purchase all listed parts in the dealer's stock purchased originally from firm, company, or person issuing franchise at a price agreeable to the franchised dealer and such firm, company, ~~or person,~~ or successor in interest.

Sec. 2. Minnesota Statutes 1986, section 325E.06, subdivision 1, is amended to read:

Subdivision 1. **OBLIGATION TO REPURCHASE.** Whenever any person, firm, or corporation engaged in the business of selling and retailing farm implements and repair parts for farm implements enters into a written contract, sales agreement or security agreement whereby the retailer agrees with any wholesaler, manufacturer, or distributor of farm implements, machinery, attachments or repair parts to maintain a stock of parts or complete or whole machines, or attachments, and thereafter the written contract, sales agreement or security agreement is terminated, canceled or discontinued, then the wholesaler, manufacturer, or distributor shall pay to the retailer or credit to the retailer's account, if the retailer has outstanding any sums owing the wholesaler, manufacturer, or distributor, unless the retailer should desire and has a contractual right to keep such merchandise, a sum equal to 100 percent of the net cost of all unused complete farm implements, machinery and attachments in new condition which have been purchased by the retailer from the wholesaler, manufacturer or distributor within the 24 months immediately preceding notification by either party of intent to cancel or discontinue the contract, including transportation charges

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which have been paid by the retailer, or invoiced to retailer's account by the wholesaler, manufacturer or distributor and ~~80~~ 85 percent of the current net prices on repair parts, including superseded parts listed in current price lists or catalogs in use by the wholesaler, manufacturer or distributor on the date of cancellation or discontinuance of the contract, which parts had previously been purchased by the retailer from the wholesaler, manufacturer, or distributor and are held by the retailer on the date of the cancellation or discontinuance of the contract or thereafter received by the retailer from the wholesaler, manufacturer or distributor. The wholesaler, manufacturer, or distributor shall also pay the retailer or credit to the retailer's account a sum equal to five percent of the current net price of all parts returned for the handling, packing, and loading of the parts back to the wholesaler, manufacturer, or distributor unless the wholesaler, manufacturer or distributor elects to perform inventorying, packing and loading of the parts itself. Upon the payment or allowance of credit to the retailer's account of the sum required by this subdivision, the title to the farm implements, farm machinery, attachments or repair parts shall pass to the manufacturer, wholesaler or distributor making the payment or allowing the credit and the manufacturer, wholesaler or distributor shall be entitled to the possession of the farm implements, machinery, attachments or repair parts. However, this section shall not in any way affect any security interest which the wholesaler, manufacturer or distributor may have in the inventory of the retailer.

Payment required to be made under this subdivision must be made not later than 90 days from the date the farm implements, machinery, attachments, and repair parts are returned by the retailer, and if not by then paid, the amount payable by the wholesaler, manufacturer, or distributor bears interest at the rate of 1-1/2 percent per month from the date the contract was terminated, canceled, or discontinued until the date payment is received by the retailer.

Sec. 3. Minnesota Statutes 1986, section 325E.06, subdivision 4, is amended to read:

Subd. 4. FAILURE TO PAY SUMS SPECIFIED ON CANCELLATION OF CONTRACTS; LIABILITY. In the event that any manufacturer, wholesaler, or distributor of farm implements, machinery, attachments and repair parts, upon the cancellation of a contract by either a retailer or such manufacturer, wholesaler or distributor, fails or refuses to make payment to the dealer or the dealer's heir or heirs as required by this section, the manufacturer, wholesaler or distributor shall be liable in a civil action to be brought by the retailer or the retailer's heir or heirs for (a) 100 percent of the net cost of the farm implements, machinery and attachments, (b) transportation charges which have been paid by the retailer, (c) ~~80~~ 85 percent of the current net price of repair parts, and (d) five percent for handling, packing and loading, if applicable.

Sec. 4. Minnesota Statutes 1986, section 325E.06, subdivision 5, is amended to read:

Subd. 5. EXCEPTIONS. This section shall not require the repurchase

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from a retailer of a repair part where the retailer previously has failed to return the repair part to the wholesaler, manufacturer or distributor after being offered a reasonable opportunity to return the repair part at a price not less than ~~80~~ 85 percent of the net price of the repair part as listed in the then current price list or catalog. This section shall not require the repurchase from a retailer of repair parts which have a limited storage life or are otherwise subject to deterioration, such as rubber items, gaskets and batteries; repair parts in broken or damaged packages; single repair parts priced as a set of two or more items; and repair parts which because of their condition are not resalable as new parts without new packaging or reconditioning.

Sec. 5. Minnesota Statutes 1986, section 325E.06, is amended by adding a subdivision to read:

Subd. 7. SUCCESSOR IN INTEREST. The obligations under this section of a wholesaler, manufacturer, or distributor apply to its successor in interest or assignee. A successor in interest includes a purchaser of assets or stock, a surviving corporation resulting from a merger or liquidation, a receiver, and a trustee of the original wholesaler, manufacturer, or distributor.

Sec. 6. **EFFECTIVE DATE.**

The provisions of sections 1 to 5 are effective the day after enactment and apply to contracts now in effect that have no expiration date and are a continuing contract, and all other contracts entered into or renewed after the day of enactment. Any contract in force and effect on the day of enactment, which by its terms will terminate on a date subsequent thereto and which is not renewed is governed by the law as it existed before the day of enactment.

Approved April 12, 1988

CHAPTER 503—H.F.No. 1493

An act relating to civil law; deleting the minimum percentage amount for interest on judgments; altering the application of joint and several liability; providing for payment of future damages; amending Minnesota Statutes 1986, section 604.02, subdivision 1; Minnesota Statutes 1987 Supplement, section 549.09, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 549; repealing Minnesota Statutes 1986, section 604.07.

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

Section 1. Minnesota Statutes 1987 Supplement, section 549.09, subdivision 1, is amended to read:

Subdivision 1. **WHEN OWED; RATE.** (a) When the judgment is for the recovery of money, including a judgment for the recovery of taxes, interest from

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