

CHAPTER 511—S.F.No. 2096

An act relating to commerce; regulating and governing business relations between manufacturers of agricultural equipment and independent retail dealers of those products; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

Section 1. [325E.061] DEFINITIONS.

Subdivision 1. SCOPE. For the purposes of sections 1 to 5, the terms defined in this section have the meanings given them.

Subd. 2. FARM EQUIPMENT. "Farm equipment" means equipment including, but not limited to, tractors, trailers, combines, tillage implements, balers, skid steer loaders, and other equipment including attachments and repair parts used in the planting, cultivating, irrigation, harvesting, and marketing of agricultural products, excluding self-propelled machines designed primarily for the transportation of persons or property on a street or highway.

Subd. 3. FARM EQUIPMENT MANUFACTURER. "Farm equipment manufacturer" means a person, partnership, corporation, association, or other form of business enterprise engaged in the manufacturing, assembly, or wholesale distribution of farm equipment. The term also includes any successor in interest of the farm equipment manufacturer, including any purchaser of assets or stock, any surviving corporation resulting from a merger or liquidation, any receiver or assignee, or any trustee of the original farm equipment manufacturer.

Subd. 4. FARM EQUIPMENT DEALER OR DEALERSHIP. "Farm equipment dealer" or "farm equipment dealership" means a person, partnership, corporation, association, or other form of business enterprise engaged in the retail sale of farm equipment.

Subd. 5. DEALERSHIP AGREEMENT. "Dealership agreement" means an oral or written agreement of definite or indefinite duration between a farm equipment manufacturer and a farm equipment dealer which provides for the rights and obligations of the parties with respect to the purchase or sale of farm equipment.

Sec. 2. [325E.062] TERMINATIONS OR CANCELLATIONS.

Subdivision 1. GOOD CAUSE REQUIRED. No farm equipment manufacturer, directly or through an officer, agent, or employee may terminate, cancel, fail to renew, or substantially change the competitive circumstances of a dealership agreement without good cause. "Good cause" means failure by a farm equipment dealer to substantially comply with essential and reasonable requirements imposed upon the dealer by the dealership agreement, if the requirements are not different from those requirements imposed on other similarly-situated dealers by their terms. In addition, good cause exists whenever:

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(1) without the consent of the farm equipment manufacturer who shall not withhold consent unreasonably, (a) the farm equipment dealer has transferred an interest in the farm equipment dealership, or (b) there has been a withdrawal from the dealership of an individual proprietor, partner, major shareholder, or the manager of the dealership, or (c) there has been a substantial reduction in interest of a partner or major stockholder;

(2) the farm equipment dealer has filed a voluntary petition in bankruptcy or has had an involuntary petition in bankruptcy filed against it which has not been discharged within 30 days after the filing, or there has been a closeout or sale of a substantial part of the dealer's assets related to the farm equipment business, or there has been a commencement of dissolution or liquidation of the dealer;

(3) there has been a change, without the prior written approval of the manufacturer, in the location of the dealer's principal place of business under the dealership agreement;

(4) the farm equipment dealer has defaulted under a chattel mortgage or other security agreement between the dealer and the farm equipment manufacturer, or there has been a revocation or discontinuance of a guarantee of the dealer's present or future obligations to the farm equipment manufacturer;

(5) the farm equipment dealer has failed to operate in the normal course of business for seven consecutive days or has otherwise abandoned the business;

(6) the farm equipment dealer has pleaded guilty to or has been convicted of a felony affecting the relationship between the dealer and manufacturer;

(7) the dealer has engaged in conduct which is injurious or detrimental to the dealer's customers or to the public welfare; or

(8) the farm equipment dealer, after receiving notice from the manufacturer of its requirements for reasonable market penetration based on the manufacturer's experience in other comparable marketing areas, consistently fails to meet the manufacturer's market penetration requirements.

Subd. 2. NOTICE. Except as otherwise provided in this subdivision, a farm equipment manufacturer shall provide a farm equipment dealer at least 90 days' prior written notice of termination, cancellation, or nonrenewal of the dealership agreement. The notice shall state all reasons constituting good cause for the action and shall provide that the dealer has 60 days in which to cure any claimed deficiency. If the deficiency is rectified within 60 days, the notice is void. The notice and right to cure provisions under this section do not apply if the reason for termination, cancellation, or nonrenewal is for any reason set forth in subdivision 1, clauses (1) to (7).

Sec. 3. [325E.063] VIOLATIONS.

(a) It is a violation of sections 1 to 5 for a farm equipment manufacturer to

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coerce a farm equipment dealer to accept delivery of farm equipment, parts, or accessories which the farm equipment dealer has not voluntarily ordered.

(b) It is a violation of sections 1 to 5 for a farm equipment manufacturer to:

(1) condition or attempt to condition the sale of farm equipment on a requirement that the farm equipment dealer also purchase other goods or services; except that a farm equipment manufacturer may require the dealer to purchase all parts reasonably necessary to maintain the quality of operation in the field of any farm equipment used in the trade area and telecommunication necessary to communicate with the farm equipment manufacturer;

(2) coerce or attempt to coerce a farm equipment dealer into a refusal to purchase the farm equipment manufactured by another farm equipment manufacturer;

(3) discriminate in the prices charged for farm equipment of like grade and quality sold by the farm equipment manufacturer to similarly-situated farm equipment dealers. The clause does not prevent the use of differentials which make only due allowance for difference in the cost of manufacture, sale, or delivery or for the differing methods or quantities in which the farm equipment is sold or delivered, by the farm equipment manufacturer; or

(4) attempt or threaten to terminate, cancel, fail to renew or substantially change the competitive circumstances of the dealership agreement if the attempt or threat is based on the results of a natural disaster, including a sustained drought in the dealership market area, a labor dispute or other circumstance beyond the dealer's control.

Sec. 4. [325E.064] STATUS OF INCONSISTENT AGREEMENTS.

A term of a dealership agreement either expressed or implied which is inconsistent with the terms of sections 1 to 5 is void and unenforceable and does not waive any rights which are provided to a person by sections 1 to 5.

Sec. 5. [325E.065] REMEDIES.

If a farm equipment manufacturer violates sections 1 to 5, a farm equipment dealer may bring an action against the manufacturer in a court of competent jurisdiction for damages sustained by the dealer as a consequence of the manufacturer's violation, together with the actual costs of the action, including reasonable attorney's fees, and the dealer also may be granted injunctive relief against unlawful termination, cancellation, nonrenewal, or substantial change of competitive circumstances. The remedies in this section are in addition to any other remedies permitted by law.

Sec. 6. [325E.066] CITATION.

Sections 1 to 5 may be cited as the "Minnesota agricultural equipment dealership act."

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Sec. 7. [325E.067] APPLICABILITY.

The provisions of sections 1 to 5 are effective the day after enactment and apply to all dealership agreements now in effect which have no expiration date and which are continuing contracts, and all other contracts entered into, amended, 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 13, 1988

CHAPTER 512—S.F.No. 2243

An act relating to vocational rehabilitation; providing employment program rights to persons with disabilities; requiring inclusion of these programs in county social services plans; amending Minnesota Statutes 1987 Supplement, section 256E.09, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 256E.

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

Section 1. Minnesota Statutes 1987 Supplement, section 256E.09, subdivision 3, is amended to read:

Subd. 3. **PLAN CONTENT.** The biennial community social services plan published by the county shall include:

(a) A statement of the goals of community social service programs in the county;

(b) Methods used pursuant to subdivision 2 to encourage participation of citizens and providers in the development of the plan and the allocation of money;

(c) Methods used to identify persons in need of service and the social problems to be addressed by the community social service programs, including efforts the county proposes to make in providing for early intervention, prevention and education aimed at minimizing or eliminating the need for services for groups of persons identified in section 256E.03, subdivision 2;

(d) A statement describing how the county will fulfill its responsibilities identified in section 256E.08, subdivision 1 to the groups of persons described in section 256E.03, subdivision 2, and a description of each community social service proposed and identification of the agency or person proposed to provide the service. The plan shall specify how the county proposes to make the following services available for persons identified by the county as in need of services: daytime developmental achievement services for children, day training and habilitation services for adults, extended employment program services for persons

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