Article 26.

Farm Machinery Agreements.

§ 66-180. Definitions.

As used in this Article, unless the context requires otherwise:

(1) "Agreement" means a written or oral contract or agreement between a dealer and a wholesaler, manufacturer, or distributor by which the dealer is granted one or more of the following rights:
   a. To sell or distribute goods or services.
   b. To use a trade name, trademark, service mark, logo type, or advertising or other commercial symbol.

(2) "Current model" means a model listed in the wholesaler's, manufacturer's, or distributor's current sales manual or any supplements.

(3) "Current net price" means the price listed in the supplier's price list or catalog in effect at the time the agreement is terminated, less any applicable discounts allowed.

(4) "Dealer" means a person engaged in the business of selling at retail farm, construction, utility or industrial, equipment, implements, machinery, attachments, outdoor power equipment, or repair parts.

(5) "Family member" means a spouse, brother, sister, parent, grandparent, child, grandchild, mother-in-law, father-in-law, daughter-in-law, son-in-law, stepparent, or stepchild, or a lineal descendant of the dealer or principal owner of the dealership.

(6) "Good cause" means failure by a dealer to comply with requirements imposed upon the dealer by the agreement if the requirements are not different from those imposed on other dealers similarly situated in this State. In addition, good cause exists in any of the following circumstances:
   a. A petition under bankruptcy or receivership law has been filed against the dealer.
   b. The dealer has made an intentional misrepresentation with the intent to defraud supplier.
   c. Default by the dealer under a chattel mortgage or other security agreement between the dealer and the supplier or a revocation or discontinuance of a guarantee of a present or future obligation of the retailer to the supplier.
   d. Closeout or sale of a substantial part of the dealer's business related to the handling of goods; the commencement or dissolution or liquidation of the dealer if the dealer is a partnership or corporation; or a change, without the prior written approval of the supplier, which shall not be unreasonably withheld, in the location of the dealer's principal place of business or additional locations set forth in the agreement.
   e. Withdrawal of an individual proprietor, partner, major shareholder, or manager of the dealership, or a substantial reduction in interest of a partner or major shareholder, without the prior written consent of the supplier.
   f. Revocation or discontinuance of any guarantee of the dealer's present or future obligations to the supplier.

g. The dealer has failed to operate in the normal course of business for seven consecutive business days or has otherwise abandoned the business.

h. The dealer has pleaded guilty to or has been convicted of a felony affecting the relationship between the dealer and the supplier.

i. The dealer transfers an interest in the dealership, or a person with a substantial interest in the ownership or control of the dealership, including an individual proprietor, partner, or major shareholder, withdraws from the dealership or dies, or a substantial reduction occurs in the interest of a partner or major shareholder in the dealership.

(7) "Inventory" means farm implements and machinery, construction, utility and industrial equipment, consumer products, outdoor power equipment, attachments, or repair parts.

(8) "Net cost" means the price the dealer paid the supplier for the inventory, less all applicable discounts allowed, plus the amount the dealer paid for freight costs from the supplier's location to the dealer's location, plus reasonable cost of assembly or disassembly performed by the dealer.

(9) "Supplier" means a wholesaler, manufacturer, distributor, or any purchaser of assets or stock of any surviving corporation resulting from a merger or liquidation, any receiver or assignee, any trustee of the original manufacturer, wholesaler, or distributor who enters into an agreement with a dealer.

(10) "Superseded part" means any part that will provide the same function as a currently available part as of the date of cancellation.

(11) "Termination" of an agreement means the termination, cancellation, nonrenewal, or noncontinuance of the agreement. (1985, c. 441, s. 1; 2001-343, s. 1.)