

1 HB495
2 137911-2
3 By Representative Brown
4 RFD: Agriculture and Forestry
5 First Read: 08-MAR-12

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8 SYNOPSIS: Under existing law, the Tractor, Lawn and
9 Garden and Light Industrial Equipment Franchise Act
10 regulates franchise agreements with dealers
11 primarily engaged in the farm equipment business.

12 This bill would further provide for certain
13 definitions.

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15 A BILL
16 TO BE ENTITLED
17 AN ACT

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19 To amend Section 8-21A-2 of the Code of Alabama
20 1975, the Tractor, Lawn and Garden and Light Industrial
21 Equipment Franchise Act, to further provide for definitions.

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

23 Section 1. Section 8-21A-2 of the Code of Alabama
24 1975, is amended to read as follows:

25 "§8-21A-2.

1 "As used in this chapter, the following terms shall
2 have the ascribed meanings unless the context indicates a
3 different meaning:

4 "(1) CONTINUING COMMERCIAL RELATIONSHIP. Any
5 relationship in which the equipment dealer has been granted
6 the right to sell and/or service equipment manufactured by the
7 supplier.

8 "(2) COST or NET COST. The actual price paid by the
9 dealer to the manufacturer, distributor, or wholesaler, plus
10 freight costs paid by or charged to the dealer.

11 "(3) CURRENT NET PRICE. The dealer's price as listed
12 in the supplier's effective price list and/or catalog.

13 "(4) DEALER CONTRACT, DEALER AGREEMENT, or
14 FRANCHISE. An agreement or contract, expressed or implied,
15 oral or written, by and between a supplier and a dealer by
16 which the dealer is granted the right to purchase, sell,
17 distribute, and/or service the supplier's equipment, and in
18 which there is a community of interest in the marketing of
19 farm tractors, lawn and garden equipment, light industrial
20 equipment, off-road motor cycles, all-terrain vehicles (ATV)
21 and utility-terrain vehicles (UTV), or services related
22 thereto.

23 "(5) EQUIPMENT. Machines designed for or adapted and
24 used for agriculture, horticulture, irrigation for agriculture
25 or horticulture, livestock, grazing, lawn and garden, and/or
26 light industrial purposes.

1 "(6) EQUIPMENT DEALER, TRACTOR DEALER, DEALER, LIGHT
2 INDUSTRIAL DEALER, DEALERSHIP, EQUIPMENT DEALERSHIP. Any
3 person, partnership, corporation, association, or other
4 business entity engaged primarily in the business of selling,
5 retailing, and/or leasing and servicing farm tractors,
6 machines, implements, lawn and garden tractors and equipment,
7 ~~and~~ light industrial tractors and equipment, and off-road
8 motor cycles, all-terrain vehicles (ATV) and utility-terrain
9 vehicles (UTV), along with attachments and related repair
10 parts. This includes lawn and garden dealers or light
11 industrial dealers that are not primarily engaged in the farm
12 equipment business. This does not include persons or companies
13 primarily engaged in the sales of heavy duty industrial
14 tractors and equipment used in road construction or
15 maintenance, or forestry equipment. This does not include
16 persons primarily engaged in the auction sale of tractors and
17 farm equipment and light industrial equipment nor dealers in
18 exclusively used tractors, farm equipment, and light
19 industrial equipment.

20 "(7) GOOD CAUSE. Failure of the dealer to
21 substantially comply with requirements of the dealer
22 agreement, provided such requirements are not different from,
23 nor enforced differently than those requirements imposed on
24 other similarly situated dealers.

25 "(8) INVENTORY. Tractors, farm implements,
26 machinery, equipment, lawn and garden tractors and equipment,
27 light industrial tractors and equipment, off-road motor

1 cycles, all-terrain vehicles (ATV) and utility-terrain
2 vehicles (UTV), and repair parts held by the dealer.

3 "(9) MANUFACTURER, DISTRIBUTOR, or WHOLESALER. Any
4 person, company, or corporation who sells or distributes new
5 tractors, lawn and garden equipment, off-road motor cycles,
6 all-terrain vehicles (ATV) and utility-terrain vehicles (UTV),
7 and light industrial equipment to dealers or any branch or
8 division, or any officer, agent, or representative thereof.

9 "(10) RELEVANT MARKET AREA. The geographic area for
10 which a dealer is assigned responsibility for selling or
11 soliciting or advertising the sale of equipment under the
12 terms of a franchise.

13 "(11) SUPPLIER. The manufacturer, wholesaler, or
14 distributor of the tractor, equipment, lawn and garden
15 equipment, light industrial tractors and equipment, off-road
16 motor cycles, all-terrain vehicles (ATV) and utility-terrain
17 vehicles (UTV), and/or repair parts to be sold by the dealer.

18 "(12) TERMINATION. The termination, cancellation,
19 nonrenewal, or noncontinuation of the contract or agreement.

20 "(13) WRITTEN NOTICE. In addition to a delivered
21 written notice, such notice shall include notice by any other
22 accepted means including, but not limited to, notice by
23 "electronic mail" or its equivalent."

24 Section 2. This act shall become effective on the
25 first day of the third month following its passage and
26 approval by the Governor, or its otherwise becoming law.