

IN THE SENATE

SENATE BILL NO. 1359

BY JUDICIARY AND RULES COMMITTEE

AN ACT

1 RELATING TO FARM IMPLEMENTS AND EQUIPMENT; AMENDING SECTION 28-23-101,  
2 IDAHO CODE, TO REVISE PROVISIONS ASSOCIATED WITH THE REPURCHASE OF  
3 CERTAIN EQUIPMENT FROM RETAILERS BY WHOLESALERS, MANUFACTURERS AND  
4 DISTRIBUTORS AND TO REVISE PROVISIONS REGARDING SUMS TO BE PAID FOR RE-  
5 PURCHASE; AMENDING SECTION 28-23-102, IDAHO CODE, TO REVISE VERBIAGE  
6 AND TO PROVIDE FOR THE PURCHASE PRICE OF REPAIR TOOLS IN COMPLETE AND  
7 USABLE CONDITION.  
8

9 Be It Enacted by the Legislature of the State of Idaho:

10 SECTION 1. That Section 28-23-101, Idaho Code, be, and the same is  
11 hereby amended to read as follows:

12 28-23-101. REPURCHASE OF FARM MACHINERY, EQUIPMENT, CONSTRUCTION  
13 EQUIPMENT, IMPLEMENTS, ATTACHMENTS, ACCESSORIES AND PARTS UPON TERMINATION  
14 OF CONTRACT AND OBLIGATION TO REPURCHASE. Whenever any person, firm, or  
15 corporation engaged in the business of selling and retailing farm implements  
16 or equipment, or repair parts for farm implements or equipment, enters into  
17 a written or parol contract, sales agreement or security agreement whereby  
18 the retailer agrees with any wholesaler, manufacturer or distributor of  
19 farm implements or equipment, machinery, attachments, accessories or re-  
20 pair parts to maintain a stock of parts ~~which may include, but is not limited~~  
21 ~~to,~~ complete or whole machines, attachments, or demonstration and rental  
22 equipment and thereafter the written or parol contract, sales agreement or  
23 security agreement is terminated, canceled or discontinued, then the whole-  
24 saler, manufacturer or distributor shall pay to the retailer or credit to  
25 the retailer's account, if the retailer has outstanding any sums owing the  
26 wholesaler, manufacturer or distributor, unless the retailer should desire  
27 and has a contractual right to keep such merchandise, a sum equal to (a) one  
28 hundred percent (100%) of the net cost of all unused, unsold and undamaged  
29 complete farm implements or equipment, machinery or ~~repair parts and stock~~  
30 of parts, attachments in new condition ~~which that~~ have been purchased by  
31 the retailer from the wholesaler, manufacturer or distributor within the  
32 thirty-six (36) months immediately preceding notification by either party  
33 of intent to cancel or discontinue the contract, ~~including the transporta-~~  
34 tion charges to the retailer. The payment or credit for plus (b) one hundred  
35 percent (100%) of the net cost of all demonstration or rental equipment that  
36 has not been retailed to an end user is a sum equal to the depreciated value  
37 of the equipment. The less a reasonable downward adjustment to reflect  
38 depreciation relating to such demonstration or rental activity. All such  
39 payments shall also include transportation charges paid to deliver such  
40 farm implements or equipment, machinery or attachments from the wholesaler,  
41 manufacturer or distributor to the retailer. In addition, the wholesaler,  
42 manufacturer or distributor shall pay to the retailer a reasonable re-

1 imbursement for services performed in connection with the assembly and  
 2 predelivery inspections of the farm implements or equipment and machinery  
 3 and attachments subject to repurchase herein. The supplier assumes owner-  
 4 ship of farm implements or equipment, machinery or ~~repair parts and stock~~  
 5 attachments FOB the dealer location.

6 ~~A supplier~~ If a wholesaler, manufacturer or distributor is required  
 7 to purchase farm implements or equipment and machinery and attachments in  
 8 accordance with this section, such wholesaler, manufacturer or distributor  
 9 must repurchase any specific data processing hardware, software, telecom-  
 10 munications equipment and computer communications hardware specifically  
 11 required by the ~~supplier~~ wholesaler, manufacturer or distributor to meet the  
 12 supplier's its minimum requirements and purchased by the ~~dealer~~ retailer  
 13 in the prior five (5) years and held by the ~~dealer~~ retailer on the date of  
 14 termination. The purchase price to be paid by the wholesaler, manufacturer  
 15 or distributor to the retailer for such items is the original net cost to the  
 16 dealer retailer, less twenty percent (20%) per year.

17 SECTION 2. That Section 28-23-102, Idaho Code, be, and the same is  
 18 hereby amended to read as follows:

19 28-23-102. REPURCHASE OF REPAIR PARTS. Whenever any person, firm, or  
 20 corporation engaged in the business of selling and retailing farm implements  
 21 or equipment, or repair parts for farm implements or equipment, enters into  
 22 a written or parol contract, sales agreement or security agreement whereby  
 23 the retailer agrees with any wholesaler, manufacturer or distributor of  
 24 farm implements or equipment, machinery, attachments, accessories or re-  
 25 pair parts to maintain a stock of parts or complete or whole machines, or  
 26 attachments, manuals and repair manuals and thereafter the written or parol  
 27 contract, sales agreement or security agreement is terminated, canceled or  
 28 discontinued, then the wholesaler, manufacturer or distributor shall pay  
 29 to the retailer or credit to the retailer's account, if the retailer has  
 30 outstanding any sums owing the wholesaler, manufacturer or distributor,  
 31 unless the retailer should desire and has a contractual right to keep such  
 32 merchandise, a sum equal to one hundred percent (100%) of the current net  
 33 prices, including the transportation charges from the retailer to the whole-  
 34 saler, manufacturer or distributor which have been paid by the retailer, or  
 35 invoiced to a retailer's account by the wholesaler, manufacturer or distrib-  
 36 utor, ~~on~~ for manuals and repair manuals, repair parts, including superseded  
 37 or previously included parts listed in current price lists or catalogs or  
 38 electronic catalogs in use, or previously used within thirty-six (36) months  
 39 prior to the latest parts price list issue date by the wholesaler, manufac-  
 40 turer or distributor on the date of cancellation or discontinuance of the  
 41 contract, which parts had previously been purchased by the retailer from the  
 42 wholesaler, manufacturer or distributor and are held by the retailer on the  
 43 date of the cancellation or discontinuance of the contract or thereafter  
 44 received by the retailer from the wholesaler, manufacturer or distributor.

45 The wholesaler, manufacturer or distributor shall also pay the retailer  
 46 or credit to his account a sum equal to five percent (5%) of the current net  
 47 price of all parts returned for the handling, packing and loading of the  
 48 parts back to the wholesaler, manufacturer or distributor unless the whole-

1 saler, manufacturer or distributor elects to perform inventorying, packing  
2 and loading of the parts themselves.

3 Upon the payment or allowance of credit to the retailer's account of the  
4 sum required by this section and section 28-23-101, Idaho Code, the title  
5 to the farm implements, equipment, machinery, attachments, accessories  
6 or repair parts shall pass to the manufacturer, wholesaler or distributor  
7 making the payment or allowing the credit and the manufacturer, wholesaler  
8 or distributor shall be entitled to the possession of the farm implements,  
9 equipment, machinery, attachments, accessories or repair parts. Title to  
10 farm implements, equipment, attachments, accessories and repair parts is  
11 transferred to the supplier FOB the dealer location. The provisions of this  
12 section shall apply to any part return adjustment agreement made between a  
13 dealer and a supplier. All payments or allowances of credit due retailers  
14 under this section shall be paid or credited by the manufacturer, whole-  
15 saler, or distributor within ninety (90) days from the termination date of  
16 the dealer agreement. After the ninety (90) days all sums of credits due  
17 shall include interest at the rate specified in section 28-22-104(1), Idaho  
18 Code. However, this section and section 28-23-101, Idaho Code, shall not in  
19 any way affect any security interest which the wholesaler, manufacturer or  
20 distributor may have in the inventory of the retailer.

21 A supplier shall repurchase at one hundred percent (100%) of net dealer  
22 cost, manuals and repair manuals purchased in the previous six (6) years and  
23 at fifty percent (50%) for manuals and repair manuals purchased in the previ-  
24 ous seven (7) through twelve (12) years as required by the supplier and held  
25 by the dealer on the date of termination. Manuals and repair manuals must be  
26 unique to the supplier's product line and must be in complete and in readable  
27 condition.

28 A supplier must repurchase, and the dealer must sell to the supplier,  
29 specialized repair tools. As applied in this section, "specialized repair  
30 tools" is defined as those tools required by the supplier and unique to the  
31 diagnosis or repair of the supplier's products. For specialized repair  
32 tools that are in new, unused condition and are applicable to the supplier's  
33 current products, the purchase price is one hundred percent (100%) of the  
34 original net cost to the dealer. For all other specialized repair tools, in  
35 complete and ~~resalable~~ usable condition, the purchase price is the original  
36 net cost to the dealer less twenty percent (20%) per year depreciation, but  
37 not less than fifty percent (50%) of the original purchase price.

38 A supplier must repurchase, and the dealer must sell to the supplier,  
39 current signage. As used in this section, "current signage" means the prin-  
40 cipal outdoor signage required by the supplier that displays the supplier's  
41 current logo or similar exclusive identifier, and that identifies the dealer  
42 as representing either the supplier or the supplier's products, or both. The  
43 purchase price shall be the original net cost to the dealer less twenty per-  
44 cent (20%) per year, but may in no case be less than fifty percent (50%) of the  
45 original cost to the dealer.