



# North Dakota Implement Dealers Association SB 2289

**SIGNED INTO LAW BY GOVERNOR BURGUM 3/16/17!**

**Strengthens ND Farm Equipment Dealer Protections & Free Market Principles**

## **SENATE BILL 2289:**

- 1. Protects dealers from being required to purchase farm equipment**, parts or accessories that the dealer does not voluntarily order.
- 2. Protects dealers from being required to purchase additional, unwanted inventory** as a condition of filling an order.
- 3. Protects dealers from being required to separate product brands**, service areas, facilities, personnel, or display space in order to renew a dealer agreement or participate in a program discount or sales incentive.
- 4. Protects dealers from the arbitrary termination of their dealership contract** and unreasonable removal of authorization for a branch location or product line.
- 5. Protects dealers from being forced to move their dealership to another location** or to make unreasonable changes to the dealership building or property. *This is current law for auto dealers.*
- 6. Allows a dealer to move to another location** as long as the location and site plan are reasonable. The manufacturer may approve or deny the request within 60 days. *This is current law for auto dealers.*
- 7. Requires the performance standards placed on dealers** to be reasonable, fair, and transparent.
- 8. Protects dealers from being required to sign an agreement** that requires a dealer to: a) be subject to another state's law b) conduct legal proceedings outside of North Dakota c) give up the dealer's rights under ND state law or settle a disagreement in a federal court in ND d) agree to arbitration or e) give up the dealer's right to

bring a legal proceeding against a manufacturer unless a voluntary settlement agreement has been reached. *This is current law for auto dealers.*

**9. Adds farm equipment dealers** to existing North Dakota state law that sets forth the conditions for selling an automobile or truck dealership. A manufacturer has 60 days to approve or deny a dealer's request. The manufacturer may deny the request only if the proposed buyer does not meet financial or business experience requirements set by the manufacturer.

## **WARRANTY & INCENTIVE CLAIMS**

- 1. Prohibits a manufacturer from conducting an audit or chargeback** on warranty or incentive payments made more than 1 year after payment.
- 2. Protects both manufacturers and dealers** in that a manufacturer may not charge back a dealer for an incentive or warranty payment unless the dealer's claim was false, fraudulent, or the dealer did not comply with the manufacturer's written procedures for turning in a claim.
- 3. Requires the manufacturer to be transparent** and identify each claim at issue before imposing a chargeback. Manufacturers may not chargeback an amount that exceeds the total direct compensation received by the dealer for the applicable claim and must provide the dealer with at least 45 days to present additional information regarding any claim at issue.
- 4. Adds parts and transportation** to current ND law, providing fair reimbursement of farm equipment warranty labor