

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 1498

PRINTER'S NO. 3961

AMOUNT

No Fiscal Impact

FUND

General

DATE INTRODUCED

May 26, 2009

PRIME SPONSOR

Representative Hanna

HISTORY OF BILL

Referred to COMMERCE, May 26, 2009

Reported as amended, May 4, 2010

First consideration, May 4, 2010

Laid on the table, May 4, 2010

Removed from table, May 5, 2010

Re-committed to APPROPRIATIONS, May 5, 2010

Re-reported as committed, May 24, 2010

Second consideration, with amendments, June 22, 2010

(Remarks see House Journal Page), June 22, 2010

Third consideration and final passage, June 23, 2010 (159-39)

(Remarks see House Journal Page), June 23, 2010

In the Senate

Referred to CONSUMER PROTECTION AND PROFESSIONAL LICENSURE,
June 30, 2010

Reported as committed, Sept. 28, 2010

First consideration, Sept. 28, 2010

Re-referred to APPROPRIATIONS, Sept. 28, 2010

Re-reported as committed, Oct. 12, 2010

DESCRIPTION AND PURPOSE OF BILL

House Bill 1498 amends the Pennsylvania Fair Dealership Law (Act 86 of 1987), which regulates agreements between dealers and suppliers of agriculture equipment, by making the following changes:

- Adds several new definitions and makes several clarifying changes to several existing definitions.
- Allows a dealer to terminate a dealer agreement for good cause after providing the supplier with 30 days notice via registered mail.
- Prohibits a supplier from substantially changing the competitive circumstances of a dealer agreement.
- Increases the period of time a dealer has to cure deficiencies before a supplier may terminate a dealer agreement from 60 to 90 days.

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- Increases the period of time an heir of a deceased or incapacitated dealer has to require a supplier to repurchase equipment, repair parts and tools from 120 days to one year.
- Requires suppliers to repurchase, at fair market value, specialized support products required by the manufacturer.
- Requires specialized support tools that are complete, in working condition and purchased within ten years prior to the termination of the dealer agreement to be repurchased at a sum equal to 75 percent of cost plus shipping, handling and set up fees.
- Provides that it is a violation of the act for a supplier to do any of the following:
 - Mandate or coerce a dealer concerning the opportunity to represent, purchase or sell competitive equipment.
 - Mandate or coerce a dealer to order or accept delivery of equipment or parts not required by law or voluntarily ordered unless the items are required safety features.
 - Refuse a dealer the opportunity to participate in the management or investment to acquire another business.
 - Refuse to make deliveries in reasonable quantities or reasonable time periods.
 - Discriminate in filling orders and price between dealers.
 - Require a dealer to consent to an agreement relieving any person from liability under the act.
- Requires a supplier to pay warranty claims within 30 days or disapprove the claim in writing within 30 days.
- Requires a supplier to pay for fair cost of labor and parts related to warranty work as long as the dealer has no independent liability.
- Requires the supplier to indemnify the dealer against any damages arising from breach of warranty.
- Stipulates that the provisions in the law are supplementary to any dealer agreement which provides the dealer with greater protection.
- Allows a dealer to pursue other contract remedies under the law.
- Prohibits waiver of any provision of the act and voids any provisions in a dealer agreement that propose to elect application to another state's law or require a dealer to pay attorneys fees incurred by a supplier.
- Prohibits a supplier from requiring a dealer to waive the right to a trial by jury as a remedy to a dispute.

The legislation is scheduled to take effect immediately.

FISCAL IMPACT:

The enactment of House Bill 1498 will have no adverse fiscal impact on Commonwealth funds.