

## CHAPTER 44

### EQUIPMENT DEALERSHIP AGREEMENTS — SUPPLIER LIABILITY

H.F. 329

**AN ACT** relating to equipment dealership agreements by providing for supplier liability.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 322F.7, unnumbered paragraph 1, Code 2011, is amended to read as follows:

~~A supplier violates~~ A violation of this chapter if the includes but is not limited to a supplier does doing any of the following:

Sec. 2. Section 322F.8, subsection 1, paragraph a, subparagraph (1), Code 2011, is amended to read as follows:

(1) A dealer may bring a legal action against a supplier for damages sustained by the dealer as a consequence of the supplier's violation of any provision of this chapter, including but not limited to a violation described in section 322F.7. A supplier violating this chapter shall compensate the dealer for damages sustained by the dealer as a consequence of the supplier's violation, together with the actual costs of the action, including reasonable attorney fees.

Sec. 3. Section 322F.8, subsection 2, Code 2011, is amended to read as follows:

2. *a.* If the payment or allowance of equipment repurchased pursuant to section 322F.3 is not made as required, or the supplier is found liable for damages pursuant to subsection 1, paragraph "a", subparagraph (1), the amount due bears to the dealer shall bear interest at the rate of one and one-half percent per month calculated from the date that the dealership agreement was terminated.

~~b. If upon~~ Upon termination of a dealership agreement by nonrenewal or cancellation, by a dealer or supplier, if the supplier fails to make payment or credit the account of the dealer as provided in any provision of this chapter, the supplier is liable in a civil action brought by the dealer for the repurchase amount set forth in section 322F.3, plus interest as calculated pursuant to paragraph "a". The supplier's civil liability as provided in this paragraph shall be in addition to and not in lieu of any remedy provided by subsection 1, paragraph "a", subparagraph (1).

Approved April 12, 2011