

322F.1 Definitions.

As used in this chapter, unless the context otherwise requires:

1. “*Agricultural equipment*” means a device, part of a device, or an attachment to a device designed to be principally used for an agricultural purpose. “*Agricultural equipment*” includes but is not limited to equipment associated with livestock or crop production, horticulture, or floriculture. “*Agricultural equipment*” includes but is not limited to tractors; trailers; combines; tillage, planting, and cultivating implements; balers; irrigation implements; and all-terrain vehicles.

2. “*All-terrain vehicle*” means the same as defined in section 321I.1.

3. “*Construction equipment*”, “*industrial equipment*”, or “*utility equipment*” means a device, part of a device, or an attachment to a device designed to be principally used for a construction or industrial purpose. “*Construction equipment*”, “*industrial equipment*”, or “*utility equipment*” includes equipment associated with earthmoving, industrial material handling, mining, forestry, highway construction or maintenance, and landscaping. “*Construction equipment*”, “*industrial equipment*”, or “*utility equipment*” includes but is not limited to tractors, graders, excavators, loaders, and backhoes.

4. “*Dealer*” or “*dealership*” means a person engaged in the retail sale of equipment.

5. “*Dealership agreement*” means an oral or written agreement, either express or implied, between a supplier and a dealer which provides that the dealer is granted the right to sell, distribute, or service the supplier’s equipment, regardless of whether the equipment carries a trade name, trademark, service mark, logotype, advertisement, or other commercial symbol, and which provides evidence of a continuing commercial relationship between the supplier and the dealer.

6. “*Equipment*” means agricultural equipment, construction equipment, industrial equipment, utility equipment, or outdoor power equipment. However, “*equipment*” does not include self-propelled machines designed primarily for the transportation of persons or property on a street or highway.

7. “*Good cause*” means a condition which occurs under any of the following circumstances:

a. The dealer fails to substantially comply with an essential and reasonable requirement imposed upon the dealer by the dealership agreement, but only if that requirement is also generally imposed upon similarly situated dealers.

b. The dealer has made a material misrepresentation or falsification of any record, contract, report, or other document which the dealer has submitted to the supplier.

c. The dealer transfers an interest in the dealership; a person with a substantial interest in the ownership or control of the dealership withdraws from the dealership, including an individual proprietor, partner, major shareholder, or manager; or a substantial reduction occurs in the interest of a partner or major shareholder in the dealership. However, good cause does not exist if the supplier consents to an action described in this paragraph.

d. The dealer has filed a voluntary petition in bankruptcy.

e. An involuntary petition in bankruptcy has been filed against the dealership and has not been discharged within thirty days after the filing.

f. The dealership is subject to a closeout or sale of a substantial part of the dealership equipment or assets related to the equipment.

g. A dissolution or liquidation of dealership assets has commenced.

h. The dealer’s principal place of business is relocated, unless the supplier consents to the change in location.

i. The dealer has defaulted under a security agreement, including but not limited to a chattel mortgage, between the dealer and the supplier or any subsidiary or affiliate of the supplier.

j. A guarantee of the dealer’s present or future obligations to the supplier is revoked or discontinued.

k. The dealer has failed to operate in the normal course of business for seven consecutive business days or has otherwise abandoned business operations.

l. The dealer has pleaded guilty to or has been convicted of a felony.

m. The dealer has engaged in conduct which is injurious or detrimental to the dealer’s

customers or to the public welfare, including but not limited to, misleading advertising, failing to provide reasonable service or replacement parts, or failing to honor warranty obligations.

n. The dealer consistently fails to comply with applicable state licensing requirements relating to the products and services represented on behalf of the supplier.

o. The dealer has inadequately represented the manufacturer's product relating to sales when compared to similarly situated dealers.

8. "*Net cost*" means the price the dealer paid to the supplier for the equipment, less applicable discounts.

9. "*Net price*" means the current price listed in the supplier's effective price list or catalog, less any applicable trade or cash discount.

10. "*Outdoor power equipment*" means equipment using small motors or engines, if the equipment is used principally for outside service, including but not limited to aerators, augers, blowers, brush clearers, brush cutters, chain saws, dethatchers, edgers, hedge trimmers, lawn mowers, pole saws, power rakes, snowblowers, and tillers.

11. "*Supplier*" means the manufacturer, wholesaler, or distributor of equipment sold by a dealer.

90 Acts, ch 1077, §2; 2002 Acts, ch 1011, §8, 9; 2003 Acts, ch 55, §1 – 3; 2004 Acts, ch 1086, §62; 2004 Acts, ch 1132, §83