

**322D.1 Definitions.**

When used in [this chapter](#), unless the context otherwise requires:

1. “*All-terrain vehicle*” means a motor vehicle designed to travel on three or more wheels and designed primarily for off-road recreational use but not including farm tractors or equipment, construction equipment, forestry vehicles, or lawn and grounds maintenance vehicles.

2. “*Attachment*” means a machine or part of a machine designed to be used on and in conjunction with a farm implement, motorcycle, autocycle, all-terrain vehicle, or snowmobile.

3. “*Autocycle*” means as defined in [section 321.1](#).

4. “*Farm implement*” means a machine designed or adapted and used exclusively for agricultural or horticultural operations or livestock raising.

5. “*Franchise*” means a contract between two or more persons when all of the following conditions are included:

a. A commercial relationship of definite duration or continuing indefinite duration is involved.

b. The franchisee is granted the right to offer and sell farm implements, motorcycles, autocycles, all-terrain vehicles, snowmobiles, or related parts or attachments manufactured or distributed by the franchiser.

c. The franchisee, as an independent business, constitutes a component of the franchiser’s distribution system.

d. The operation of the franchisee’s business is substantially associated with the franchiser’s trademark, service mark, trade name, advertising, or other commercial symbol designating the franchiser.

e. The operation of the franchisee’s business is substantially reliant on the franchiser for the continued supply of farm implements, motorcycles, autocycles, all-terrain vehicles, snowmobiles, or related parts or attachments.

6. “*Franchisee*” means a person who receives farm implements, motorcycles, autocycles, all-terrain vehicles, snowmobiles, or related parts or attachments from the franchiser under a franchise and who offers and sells the farm implements, motorcycles, autocycles, all-terrain vehicles, snowmobiles, or related parts or attachments to the general public.

7. “*Franchiser*” means a person who manufactures, wholesales, or distributes farm implements, motorcycles, autocycles, all-terrain vehicles, snowmobiles, or related parts or attachments, and who enters into a franchise.

8. “*Motorcycle*” means a motor vehicle as defined in [section 321.1](#) other than an all-terrain vehicle, which has a saddle or seat for the use of a rider and that is designed to travel on not more than two wheels in contact with the ground, but excluding a motorized bicycle or autocycle as defined in [section 321.1](#).

9. “*Net cost*” means the price the franchisee actually paid for the merchandise to the franchiser less any applicable trade, volume, cash or bonus discounts.

10. “*Net price*” means the price listed in the franchiser’s price list in effect at the time the franchise is canceled, less any applicable trade, volume or cash discounts.

11. “*Person*” means a sole proprietor, partnership, corporation, or any other form of business organization.

12. “*Snowmobile*” means the same as defined in [section 321G.1](#).

[84 Acts, ch 1087, §1; 85 Acts, ch 47, §1 – 4; 2002 Acts, ch 1011, §1 – 4; 2003 Acts, ch 28, §1 – 4, 8; 2004 Acts, ch 1132, §82; 2010 Acts, ch 1186, §11; 2016 Acts, ch 1098, §23 – 26](#)

Subsection 2 amended

NEW subsection 3, and former subsections 3 – 11 renumbered as 4 – 12

Subsection 5, paragraphs b and e amended

Subsections 6, 7, and 8 amended