



THOMAS J. VILSACK
GOVERNOR

OFFICE OF THE GOVERNOR

SALLY J. PEDERSON
LT. GOVERNOR

April 11, 2003

The Honorable Chester Culver
Secretary of State
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit:

House File 339, an act relating to snowmobile franchises by requiring the repurchase of certain inventory upon termination of a franchise and providing effective and retroactive applicability dates.

The above House File is hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "TJ Vilsack".

Thomas J. Vilsack
Governor

TJV:jmc

cc: Secretary of the Senate
Chief Clerk of the House





HOUSE FILE 339

AN ACT

RELATING TO SNOWMOBILE FRANCHISES BY REQUIRING THE REPURCHASE OF CERTAIN INVENTORY UPON TERMINATION OF A FRANCHISE AND PROVIDING EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 322D.1, subsection 2, Code 2003, is amended to read as follows:

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

Sec. 2. Section 322D.1, subsection 4, paragraphs b and e, Code 2003, are amended to read as follows:

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

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

Sec. 3. Section 322D.1, subsections 5 and 6, Code 2003, are amended to read as follows:

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

6. "Franchiser" means a person who manufactures, wholesales, or distributes farm implements, motorcycles, all-terrain vehicles, snowmobiles, or related parts or attachments, and who enters into a franchise.

Sec. 4. Section 322D.1, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 11. "Snowmobile" means the same as defined in section 321G.1.

Sec. 5. Section 322D.2, Code 2003, is amended to read as follows:

322D.2 FRANCHISEE'S RIGHTS TO PAYMENT.

1. A franchisee who enters into a written franchise with a franchiser to maintain a stock of farm implements, motorcycles, all-terrain vehicles, snowmobiles, or related parts or attachments has the following rights to payment, at the option of the franchisee, if the franchise is terminated:

a. One hundred percent of the net cost of new, unused, complete farm implements, motorcycles, all-terrain vehicles, snowmobiles, or related attachments, which were purchased from the franchiser. In addition, the franchisee shall have a right of payment for transportation charges on the farm implements, motorcycles, ~~or~~ all-terrain vehicles, or snowmobiles, which have been paid by the franchisee.

b. Eighty-five percent of the net prices of any repair parts, including superseded parts, which were purchased from the franchiser and held by the franchisee on the date that the franchise terminated.

c. Five percent of the net prices of parts resold under paragraph "b" for handling, packing, and loading of the parts. However, this payment shall not be due to the franchisee if the franchiser elects to perform the handling, packing, and loading.

2. Upon receipt of the payments due under subsection 1, the franchiser is entitled to possession of and title to the farm implements, motorcycles, all-terrain vehicles, snowmobiles, or related parts or attachments.

3. The cost of farm implements, motorcycles, all-terrain vehicles, snowmobiles, or related attachments and the price of repair parts shall be determined by reference to the franchiser's price list or catalog in effect at the time of the franchise termination.

Sec. 6. Section 322D.3, subsections 7 and 9, Code 2003, are amended to read as follows:

7. A farm implement, motorcycle, ~~or~~ all-terrain vehicle, or snowmobile which is not in new, unused, undamaged, or complete condition.

9. A farm implement, motorcycle, ~~or~~ all-terrain vehicle, or snowmobile which was purchased twenty-four months or more prior to the termination of the franchise.

Sec. 7. NEW SECTION. 322D.10 APPLICATION -- SNOWMOBILE FRANCHISE AGREEMENTS.

The rights under section 322D.2, subsection 1, apply to snowmobile franchises in effect on January 1, 2003, which have no expiration date and are continuing franchises, and to franchises executed or renewed on or after January 1, 2003, but only to snowmobiles and related parts or attachments purchased on or after January 1, 2003.

Sec. 8. EFFECTIVE AND RETROACTIVE DATES. This Act, being deemed of immediate importance, takes effect upon enactment and is retroactive to January 1, 2003.



CHRISTOPHER C. RANTS
Speaker of the House



MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 339, Eightieth General Assembly.



MARGARET THOMSON
Chief Clerk of the House

Approved April 11, 2003



THOMAS J. VILLSACK
Governor