

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1324

2001 HOUSE AGRICULTURE

HB 1324

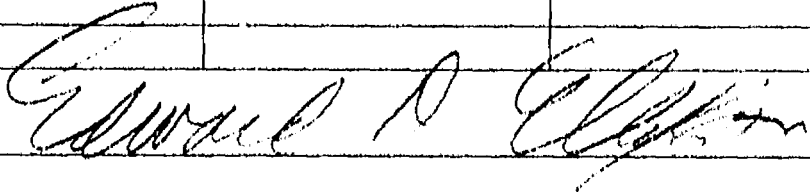
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1324

House Agriculture Committee

☐ Conference Committee

Hearing Date Feb. 8, 2001

Tape Number	Side A	Side B	Meter #
2	X		0-8.42
Committee Clerk Signature 			

Minutes:

Rep Kathy Hawken: **Sponsor of bill** regarding semi-trailers.

Dick Johnsen: **Written testimony in support.**

Chairman Nicholas: We'll close the hearing on HB 1324

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1324

House Agriculture Committee

☐ Conference Committee

Hearing Date February 15, 2001

Tape Number	Side A	Side B	Meter #
1	x		1760 to 1966
Committee Clerk Signature <i>Edward D. Johnson</i>			

Minutes:

Chairman Nicholas: I would like you to open your books to HB 1324. I visited with Rep. Hawken and originally she thought she was going to have to have an amendment for this bill, but she thought the bill was fine the way it is. So I think we are ready to move this bill.

Rep. Renner: I move a Do Pass.

Rep. Mueller: I second.

Chairman Nicholas: Is there any discussion. The clerk will take the roll on HB 1324.

MOTION FOR A DO PASS

YES, 14 NO, 0

1 ABSENT AND NOT VOTING

CARRIED BY REP. JOHNSON

9-15-0

Date:
Roll Call Vote #:

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

HB 324

House AGRICULTURE

Committee

☐ Subcommittee on _____

or

☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By RENNER Seconded By MULLER

Representatives	Yes	No	Representatives	Yes	No
Eugene Nicholas, Chairman	✓		Rod Froelich	✓	
Dennis E. Johnson - Vice Chairman	✓		Doug Lemieux	✓	
Rick Berg	✓		Philip Mueller	✓	
Michael Brandenburg	✓		Kenton Onstad	✓	
Joyce Kingsbury	✓		Sally M. Slandvig	✓	
Myron Koppang	✓		Dennis J. Renner	✓	
Edward H. Lloyd			Dwight Wrangham	✓	
Bill Pietsch	✓				

Total (Yes) 14 No _____

Absent _____

Floor Assignment JOHNSON

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 15, 2001 2:10 p.m.

Module No: HR-27-3551
Carrier: D. Johnson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1324: Agriculture Committee (Rep. Nicholas, Chairman) recommends DO PASS
(14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1324 was placed on the
Eleventh order on the calendar.

2001 SENATE AGRICULTURE

HB 1324

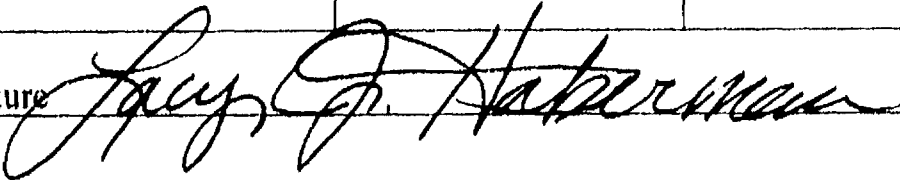
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1324

Senate Agriculture Committee

☐ Conference Committee

Hearing Date March 8, 2001

Tape Number	Side A	Side B	Meter #
March 8 1		X	21.6 - 36.0
Committee Clerk Signature 			

Minutes:

REP. HAWKEN; Sponsor, introduced the bill to the committee. This bill adds semitrailers to the part of the code that currently has car and machinery for buying or returning cars.

TERRY OLSON; American Wheel and Brake, testified in support of this bill. See attached information.

SENATOR KLEIN; Do manufacturers require you to carry a certain amount of parts?

TERRY OLSON; Most manufacturers do set a requirement what they call a minimum stockage of repair parts for any given line.

SENATOR KLEIN; Do you have to have a certain amount of trailers on your lot to met a particular dollar figure?

TERRY OLSON; Most manufactures do require stocking, display type.

SENATOR NICHOLS; Adding semitrailers to this bill would not go into effect until this bill is signed into law?

Page 2

Senate Agriculture Committee

Bill/Resolution Number HB 1324

Hearing Date March 8, 2001

TERRY OLSON; This will go into effect when the law goes into effect.

TERRY OLSON passed out information for DICK JOHNSON, Johnson Trailer Sales.

SENATOR KLEIN moved for a DO PASS.

SENATOR NICHOLS seconded the motion.

Roll call vote: 6 Yeas, 0 No, 0 Absent and Not voting.

SENATOR KLEIN will carry the bill.

Date: 3-8-01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1324

Senate Agriculture Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Sen Klein Seconded By Sen Nichols

Senators	Yes	No	Senators	Yes	No
Senator Wanzek - Chairman	✓		Senator Kroeplin	✓	
Senator Erbele - Vice Chairman	✓		Senator Nichols	✓	
Senator Klein	✓				
Senator Urlacher	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Klein

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 8, 2001 2:16 p.m.

Module No: SR-40-5140
Carrier: Nichols
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1324: Agriculture Committee (Sen. Wanzek, Chairman) recommends DO PASS
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1324 was placed on the
Fourteenth order on the calendar.

2001 TESTIMONY

HB 1324



JOHNSON TRAILER SALES, INC.

Wilson — Muvall — Fruehauf

Serving the Trucking Industry Since 1959

HB 1324

February 8, 2001

Chairman Nicholas and members of the House Agriculture Committee, for the record my name is Dick Johnson, President of Johnson Trailer Sales, Inc. Our trailer dealer license is TD9. I have sales, parts and service facilities in Bismarck and Fargo. Our company has been a semi trailer dealer in North Dakota since 1959. Because of a prior meeting commitment I am unable to attend the hearing on HB 1324. I would ask for your favorable consideration on HB 1324 and that this written testimony be entered into the record.

This legislation would add semitrailer dealers to the following list of dealers that are offered some repurchase protection from contract cancellations under section 57-07-01 of the ND Century Code.

Farm Implement Dealers
Automobile Dealers
Truck Dealers

As dealers we are normally required by the terms of the manufacturer's contract to stock both trailers and repair parts as well as offer service and repairs. Our investment is considerable.

I ask for your favorable consideration on HB 1324. Should you have any questions I will be available next week and can be reached at the number listed below.

Dick Johnson
Johnson Trailer Sales, Inc.

March 3, 1997

Mr. John Dorso
Speaker of House of Representatives
of State of North Dakota
Bismarck, ND 58505

VIA FACSIMILE
701-328-1271

Re:

Dear Mr. Dorso:

We have been asked to do a general statutory comparison between the laws in effect in the State of North Dakota and those in Minnesota relative to dealerships/distributorships and supply you with the comparison.

We have examined North Dakota Stat. § 51-07-01, *et seq.* and 51-20.1-01, *et seq.*, as well as Minnesota Stat. § 325E.068, *et seq.*, all of which relate to the terms and conditions under which a manufacturer or wholesale distributor may terminate a dealership/distributorship.

North Dakota dealership statutes, in comparison to Minnesota dealership statutes, differ in three critical areas. They are as follows:

1. North Dakota statutes require that a dealer have a written contract that the distributor (a person involved in manufacturing, wholesaling or distributing) before the statutory protections can be invoked under Minnesota law. Minnesota Stat. §325E.068, Subd. 5, protects dealership agreements whether they are oral or written.
2. North Dakota allows termination of dealerships as long as there is good cause shown for such termination. While this is similar to the good cause requirement set forth in Minnesota Statute § 325E.0681, good cause in North Dakota may constitute failure of a dealer to comply with requirements imposed by the written contract. Presumably, any breach, however technical, may be sufficient to establish good cause for the termination of the dealership.

Mr. John Dorso
March 3, 1997
Page 2

In contrast, Minnesota Stat. § 325E.0681, Subd. 1 limits the good cause basis for termination due to contractual problems to a failure by the dealer to . . . "substantially comply with essential and reasonable requirements imposed upon the dealer by the dealership agreement, if the requirements are not different from those requirements imposed on other similarly situated dealers by their terms. . . "

3. North Dakota Stat. § 51-0701, *et seq.* or § 51-20.1-01, *et seq.* clearly define truck trailer as part of the statutory scheme for protection of dealerships. While the statutes provide explicit protection for dealerships of automobiles, trucks, and heavy construction equipment, there is no specific definition or inclusion of semi trailer. While it may have been contemplated to be included in the statutes, (particularly under heavy construction equipment), there is not a clear recitation of the same. Further, one of the statutes refers to "repair parts" as products covered, but there is no indication that a part not truly designed for "repair" but a dealer would be covered under the statutes of North Dakota. Minnesota Stat. § 325E.068, Subd. 7, has a specific definition for truck parts to include all parts of the truck, including body parts. This would include accessories or parts that are added to improve the performance of a vehicle, but not necessarily for repair purposes.

We are enclosing for your convenience, a copy of the applicable sections of Minnesota Stat. § 325E.068 for your consideration and indicate that we would be available to respond to any inquiry on the Minnesota statute.

Thank you for considering the enclosed.

Yours very truly,

PETERSEN, TEWS & SQUIRES
PROFESSIONAL ASSOCIATION

John Paul Martin

Enclosure

cc: Client

§ 325E.068

REGULATION OF TRADE PRACTICES

REGULA

HEAVY AND UTILITY EQUIPMENT MANUFACTURERS AND DEALERS

325E.068. Definitions

(See main volume for 1 to 6)

Subd. 7. Truck parts. "Truck parts" means all parts of a truck, including body parts.
Amended by Laws 1994, c. 291, § 1, eff. March 2, 1996.

Historical and Statutory Notes

1994 Legislation

The 1996 amendment rewrote subd. 7.

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MOTOR FUEL; SALE PRICE AND OCTANE DISPLAY

325E.0951. Motor vehicle air pollution control systems

(See main volume for 1 to 4)

Subd. 3. Repealed by Laws 1995, c. 220, § 141, par. (a).

(See main volume for 6)

Historical and Statutory Notes

1995 Legislation

Prior to repeal, subd. 3 was amended by Laws 1993, c. 247, art. 1, § 44.

1994 Legislation

Laws 1996, c. 305, art. 1, § 125, repealed Laws 1993, c. 247, art. 1, § 44, which amended subd. 3

without reference to the repeal of subd. 6 by Laws 1995, c. 220, § 141, par. (a).

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325E.112.

Subdivisi
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MOTOR OIL COLLECTION; RECYCLING

325E.10. Definitions

Subdivision 1. For the purposes of sections 325E.11 to 325E.113 and this section, the terms defined in this section have the meanings given them.

(See main volume for 2 to 4)

Amended by Laws 1995, c. 220, § 119.

Historical and Statutory Notes

1995 Legislation

The 1995 amendment, in subd. 1, corrected a citation.

Laws 1995, c. 220, § 142, provides in part that § 119 (amending subd. 1) is effective January 1, 1996.

325E.11. Collection facilities; notice

(a) Any person selling at retail or offering motor oil or motor oil filters for retail sale in this state shall:

(1) post a notice indicating the nearest location where used motor oil and used motor oil filters may be returned at no cost for recycling or reuse; or

(2) if the person is subject to section 325E.112, post a notice informing customers purchasing motor oil or motor oil filters of the location of the used motor oil and used motor oil filter collection site established by the retailer in accordance with section 325E.112 where used motor oil and used motor oil filters may be returned at no cost.

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HEAVY AND UTILITY EQUIPMENT MANUFACTURERS AND DEALERS

325E.068. Definitions

Subdivision 1. Scope. For the purposes of sections 325E.068 to 325E.0684, the terms defined in this section have the meanings given them.

Subd. 2. Heavy and utility equipment. "Heavy and utility equipment," "heavy equipment," or "equipment" means equipment and parts for equipment including but not limited to:

(1) excavators, crawler tractors, wheel loaders, compactors, pavers, backhoes, hydraulic hammers, cranes, fork lifts, compressors, generators, attachments and repair parts for them, and other equipment, including attachments and repair parts, used in all types of construction of buildings, highways, airports, dams, or other earthen structures or in moving, stock piling, or distribution of materials used in such construction; or

(2) trucks and truck parts.

Subd. 3. Heavy and utility equipment manufacturer. "Heavy and utility equipment manufacturer," "heavy equipment manufacturer," or "equipment manufacturer" means a person, partnership, corporation, association, or other form of business enterprise engaged in the manufacturing, assembly, or wholesale distribution of heavy and utility equipment as defined in subdivision 2. The term also includes a successor in interest of the heavy and utility equipment manufacturer, including a purchaser of assets or stock, a surviving corporation resulting from a merger or liquidation, a receiver or assignee, or a trustee of the original equipment manufacturer.

Subd. 4. Heavy and utility equipment dealer or dealership. "Heavy and utility equipment dealer" or "heavy and utility equipment dealership" means a person, partnership, corporation, association, or other form of business enterprise engaged in the business of acquiring heavy and utility equipment from a manufacturer and reselling the heavy and utility equipment at wholesale or retail.

Subd. 5. Dealership agreement. "Dealership agreement" means an oral or written agreement of definite or indefinite duration between an equipment manufacturer and an equipment dealer that enables the dealer to purchase heavy and utility equipment from the manufacturer and provides for the rights and obligations of the parties with respect to the purchase or sale of heavy and utility equipment.

Subd. 6. Truck. "Truck" means a motor vehicle designed and used for carrying things other than passengers, a truck tractor as defined in section 168.011, subdivision 12, and a semitrailer as defined in section 168.011, subdivision 14. "Truck" does not include a pickup truck or van with a manufacturer's nominal rated carrying capacity of three-fourths ton or less.

Subd. 7. Truck parts. "Truck parts" means all integral and body parts of a truck, the removal, alteration, or substitution of which would substantially alter its appearance, model, type, or mode of operation.

Laws 1989, c. 267, § 1, eff. May 27, 1989. Amended by Laws 1991, c. 70, §§ 6 to 8; Laws 1993, c. 199, §§ 1 to 3.

Historical and Statutory Notes

§ 325E.0681, c. 267, § 6 provides:

Sections 1 to 5 (enacting this section, § 325E.0681, § 325E.0682, § 325E.0683, and § 325E.0684) are effective the day after final enactment (May 27, 1989) and apply to all dealership agreements now in effect that have no expiration date and that are continuing contracts and all other contracts entered into, amended, or renewed on or after that date. A contract in effect on the day of final enactment (May 26, 1989), which by its terms will terminate on a date after that date and which is not renewed, is governed by the law as it existed before the day of final enactment (May 26, 1989)."

The 1991 amendment in subd. 3 inserted "and parts for equipment", and substituted "generators, attachments and repair parts for them, and other equipment, including attachments and repair parts," for "generators, and other equipment, including attachments and repair parts"; in subd. 4 substituted "in the business of acquiring heavy and utility equipment from a manufacturer and reselling the heavy and utility equipment at wholesale or retail" for "in the retail sale of heavy and utility equipment"; and in subd. 5 inserted "enables the

dealer to purchase heavy and utility equipment from the manufacturer and".

Laws 1991, c. 70, § 11 provides:

"The amendments by sections 1 to 10 (amending sections 325E.061, subds. 2, 4, and 5, § 325E.062, § 325E.064, § 325E.068, subds. 2, 4, and 5, § 325E.0682, and § 325E.0683) are restatements and clarifications of the sections they amend and must not be construed as modifications of existing law."

Laws 1991, c. 70, § 12 provides:

"Sections 1 to 11 are effective the day after final enactment (governor's approval May 10, 1991). The sections apply to all dealership agreements now in effect that have no expiration date and to all other contracts entered into, amended, or renewed after the day of enactment."

The 1993 amendment in subd. 2 designated cl. (1) as such and therein deleted a provision which had excluded from the definition self-propelled machines designed primarily for the transportation of persons or property on a street or highway, and added cl. (2) relating to trucks and truck parts; and added subds. 6 and 7 defining "truck" and "truck parts", respectively.

Law Review Commentaries

Common oversights in evaluating the dealer termination decision—Common law and dealer statute considerations. J. Michael Dady and Joseph A. Thoinson, 59 Hennepin Law, (Mn.) 7 (Jan.—Feb. 1990).

Evaluating the dealer termination decision—Look beyond the written dealer agreement. J. Michael Dady, 17 Minn.T.Law 21 (Summer 1992)

§ 325E.0681. Terminations or cancellations

Subdivision 1. Good cause required. No equipment manufacturer, directly or through an officer, agent, or employee may terminate, cancel, fail to renew, or substantially change the competitive circumstances of a dealership agreement without good cause. "Good cause" means failure by an equipment dealer to substantially comply with essential and reasonable requirements imposed upon the dealer by the dealership agreement, if the requirements are not different from those requirements imposed on other similarly situated dealers by their terms. In addition, good cause exists whenever:

(a) Without the consent of the equipment manufacturer who shall not withhold consent unreasonably, (1) the equipment dealer has transferred an interest in the equipment dealership, (2) there has been a withdrawal from the dealership of an individual proprietor, partner, major shareholder, or the manager of the dealership, or (3) there has been a substantial reduction in interest of a partner or major stockholder.

(b) The equipment dealer has filed a voluntary petition in bankruptcy or has had an involuntary petition in bankruptcy filed against it that has not been

discharged within 30 days after the filing, or there has been a closeout or sale of a substantial part of the dealer's assets related to the equipment business, or there has been a commencement of dissolution or liquidation of the dealer.

(c) There has been a change, without the prior written approval of the manufacturer, in the location of the dealer's principal place of business under the dealership agreement.

(d) The equipment dealer has defaulted under a security agreement between the dealer and the equipment manufacturer, or there has been a revocation or discontinuance of a guarantee of the dealer's present or future obligations to the equipment manufacturer.

(e) The equipment dealer has failed to operate in the normal course of business for seven consecutive days or has otherwise abandoned the business.

(f) The equipment dealer has pleaded guilty to or has been convicted of a felony affecting the relationship between the dealer and manufacturer.

(g) The dealer has engaged in conduct that is injurious or detrimental to the dealer's customers or to the public welfare.

(h) The equipment dealer, after receiving notice from the manufacturer of its requirements for reasonable market penetration based on the manufacturer's experience in other comparable marketing areas, consistently fails to meet the manufacturer's market penetration requirements.

Subd. 2. Notice. Except as otherwise provided in this subdivision, an equipment manufacturer shall provide an equipment dealer at least 90 days' prior written notice of termination, cancellation, or nonrenewal of the dealership agreement. The notice must state all reasons constituting good cause for the action and must provide that the dealer has until expiration of the notice period in which to cure a claimed deficiency. If the deficiency is rectified within the notice period, the notice is void. The notice and right to cure provisions under this section do not apply if the reason for termination, cancellation, or nonrenewal is for any reason set forth in subdivision 1, clauses (a) to (g).

Subd. 3. Obligation to repurchase. If a dealership agreement is terminated, canceled, or discontinued, the equipment manufacturer shall pay to the dealer, or credit to the dealer's account if the dealer has an outstanding amount owed to the manufacturer, an amount equal to 100 percent of the net cost of all unused heavy and utility equipment in new condition that has been purchased by the dealer from the manufacturer within the 24 months immediately preceding notification by either party of intent to terminate, cancel, or discontinue the agreement. This amount must include transportation charges that have been paid by the dealer, or invoiced to the dealer's account by the manufacturer. The dealer may elect to keep the merchandise instead of receiving payment. If the contract gives the dealer this right.

Subd. 4. Repair parts. (a) The manufacturer shall pay the dealer, or credit to the dealer's account if the dealer has an outstanding amount owed to the manufacturer, the following:

(1) 85 percent of the current net prices on repair parts, including superseded parts listed in current price lists or catalogs in use by the manufacturer on the date of the termination, cancellation, or discontinuance of the agreement;

(2) as to any parts not listed in current price lists or catalogs, 100 percent of the invoiced price of the repair part for which the dealer has an invoice if the parts had previously been purchased by the dealer from the manufacturer and are held by the dealer on the date of the termination, cancellation, or discontinuance of the agreement or received by the dealer from the manufacturer after that date; and

(3) 50 percent of the most recently published price of all other parts if the price list or catalog is not more than ten years old as of the date of the termination, cancellation, or discontinuance of the agreement.

(b) The manufacturer shall pay the dealer, or credit to the dealer's account, if the dealer has an outstanding amount owed to the manufacturer an amount equal to five percent of the prices required to be paid or credited by this subdivision for all parts returned for the handling, packing, and loading of the parts back to the manufacturer unless the manufacturer elects to perform inventorying, packing, and loading of the parts itself. Upon the payment or allowance of credit to the dealer's account of the sum required by this subdivision, the title to and right to possess the heavy and utility equipment passes to the manufacturer. However, this section does not affect any security interest that the manufacturer may have in the inventory of the dealer.

Subd. 5. **Payment; interest.** Payment required to be made under this section must be made not later than 90 days from the date the heavy and utility equipment is returned by the dealer, and if not by then paid, the amount payable by the manufacturer bears interest at the rate of 1-1/2 percent per month from the date the agreement was terminated, canceled, or discontinued until the date payment is received by the dealer.

Subd. 6. **Notice of intent to return.** In lieu of returning the heavy and utility equipment to the manufacturer, the dealer may advise the manufacturer that the dealer has heavy and utility equipment that the dealer intends to return. The notice of the dealer's intention to return must be in writing, sworn to before a notary public as to the accuracy of the listing of heavy and utility equipment and that all of the items are in usable condition. The notice must include the name and business address of the person or business who has possession and custody of them and where they may be inspected. The list may be verified by the manufacturer. The notice must also state the name and business address of the person or business who has the authority to serve as the escrow agent of the dealer, to accept payment or a credit to the dealer's account on behalf of the dealer, and to release the heavy and utility equipment to the manufacturer. The notice constitutes the appointment of the escrow agent to act on the dealer's behalf.

Subd. 7. **Manufacturer inspection.** (a) The manufacturer has 30 days from the date of the mailing of the notice under subdivision 6, which must be by certified mail, in which to inspect the heavy and utility equipment and verify the accuracy of the dealer's list.

(b) The manufacturer shall, within ten days after inspection:

- (1) pay the escrow agent;
- (2) give evidence that a credit to the account of the dealer has been made if the dealer has an outstanding amount due the manufacturer; or
- (3) send to the escrow agent a "dummy credit list" and shipping labels for the return of the heavy and utility equipment to the manufacturer that are acceptable as returns.

Subd. 8. **Payment or credit requirements.** If the manufacturer sends a credit list as provided under subdivision 7 to the escrow agent, payment or a credit against the dealer's indebtedness in accordance with this subdivision for the acceptable returns must accompany the credit list. On the receipt of the payment, evidence of a credit to the account of the dealer, or the credit list with payment, the title to and the right to possess the heavy and utility equipment acceptable as returns passes to the manufacturer. The escrow agent shall ship or cause to be shipped the heavy and utility equipment acceptable as returns to the manufacturer unless the manufacturer elects to personally perform the inventorying, packing, and loading of the heavy and utility equipment. When they have been received by the manufacturer, notice of their receipt shall be sent by certified mail to the escrow agent who shall then disburse 90 percent of the payment it has received, less its actual expenses and a reasonable fee for its services, to the dealer. The escrow agent shall keep the balance of the funds in the dealer's escrow account until it is notified that an agreement has been reached as to the nonreturnables. After being notified of the agreement, the escrow agent shall disburse the remaining funds and dispose of any remaining heavy and utility equipment as provided in the agreement. If no agreement is reached in a reasonable time, the escrow agent may refer the matter to an arbitrator who has authority to resolve all unsettled issues in the dispute.

Subd. 9. **Provisions of contract supplemented.** This section is supplemental to an agreement between the dealer and the manufacturer covering the return of heavy and utility equipment. The dealer may elect to pursue either the dealer's contract remedy or the remedy provided in this section. An election by the dealer to pursue the contract remedy does not bar the dealer's right to the remedy provided in this section as to the heavy and utility equipment not affected by the contract remedy. Notwithstanding anything contained in this section, the rights of a manufacturer to charge back to the dealer's account amounts previously paid or credited as a discount incident to the dealer's purchase of goods is not affected.

Subd. 10. **Death of dealer; repurchase from heirs.** In the event of the death of the dealer or majority stockholder in a corporation operating a dealership, the manufacturer shall, unless the heir or heirs of the deceased agree to continue to operate the dealership, repurchase the merchandise from the heir or heirs upon the same terms and conditions as are otherwise provided in this section. In the event the heir or heirs do not agree to continue to operate the dealership, it shall be deemed a cancellation or discontinuance of the contract by the dealer under subdivision 1.

Subd. 11. Failure to pay sums specified on cancellation of contracts; liability. In the event that a manufacturer, upon the cancellation of a dealership agreement, fails or refuses to make payment to the dealer or the dealer's heir or heirs as required by this section, the manufacturer is liable in a civil action to be brought by the dealer or the dealer's heir or heirs for: (1) 100 percent of the net cost of the heavy or utility equipment; (2) transportation charges which have been paid by the dealer; (3) 85 percent of the current net price of repair parts, 100 percent of invoiced prices, and 50 percent of the price of all other parts as provided in subdivision 1; and (4) five percent for handling, packing, and loading, if applicable.

Subd. 12. Exceptions. Unless a dealer has delivered parts to an escrow agent pursuant to subdivision 1, this section does not require the repurchase from a dealer of a repair part where the dealer previously has failed to return the repair part to the manufacturer after being offered a reasonable opportunity to return the repair part at a price not less than: (1) 85 percent of the net price of the repair part as listed in the then current price list or catalog; (2) 100 percent of the invoiced price; and (3) 50 percent of the most recent published price as provided in subdivision 1.

This section does not require the repurchase from a dealer of repair parts that have a limited storage life or are otherwise subject to deterioration, such as rubber items, gaskets, and batteries; repair parts in broken or damaged packages; single repair parts priced as a set of two or more items; and repair parts which because of their condition are not resalable as new parts without new packaging or reconditioning.

Laws 1989, c. 267, § 2, eff. May 27, 1989. Amended by Laws 1991, c. 71, §§ 1 to 10; Laws 1993, c. 13, art. 2, § 10.

Historical and Statutory Notes

Laws 1989, c. 267, § 6 provides:

"Sections 1 to 5 [enacting § 325E.068, this section, §§ 325E.0682, 325E.0683, and 325E.0684] are effective the day after final enactment (May 27, 1989) and apply to all dealership agreements now in effect that have no expiration date and that are continuing contracts and all other contracts entered into, amended, or renewed on or after that date. A contract in effect on the day of final enactment (May 26, 1989), which by its terms will terminate on a date after that date and which is not renewed, is governed by the law as it existed before the day of final enactment (May 26, 1989)."

The 1991 amendment added subds. 3 to 12.

Laws 1991, c. 71, § 11 provides:

"Sections 1 to 10 (enacting subdivisions 3 to 12 of this section) are effective the day after final enactment (governor's approval May 10,

1991) and apply to contracts now in effect that have no expiration date and are continuing contracts and all other contracts entered into or renewed after the date of final enactment. A contract in force the day of final enactment, which by its terms will terminate on a later date and which is not renewed, is governed by the law as it existed before the day of final enactment."

The 1993 amendment was a revisor's instruction which, by its title, corrected erroneous, ambiguous, and omitted text and obsolete references; eliminated certain redundant, conflicting, and superseded provisions; and made miscellaneous technical corrections to statutes and other laws. Article 2, § 10, of this act deleted a sentence from the end of subd. 9 which provided that a repurchase made under this section is not subject to the bulk transfers law, §§ 336.6-101 to 336.6-111.

§ 325E.0682

TRADE REGULATIONS, CONSUMER PROTECTION

325E.0682. Violations

(a) It is a violation of sections 325E.068 to 325E.0684 for an equipment manufacturer to coerce an equipment dealer to accept delivery of heavy and utility equipment that the equipment dealer has not voluntarily ordered.

(b) It is a violation of sections 325E.068 to 325E.0684 for an equipment manufacturer to:

(1) condition or attempt to condition the sale of equipment on a requirement that the equipment dealer also purchase other goods or services; except that an equipment manufacturer may require the dealer to purchase all parts reasonably necessary to maintain the quality of operation in the field of any equipment used in the trade area and telecommunications necessary to communicate with the equipment manufacturer;

(2) coerce an equipment dealer into a refusal to purchase the equipment manufactured by another equipment manufacturer;

(3) discriminate in the prices charged for equipment of like grade and quality sold by the equipment manufacturer to similarly situated equipment dealers. This clause does not prevent the use of differentials that make only due allowance for difference in the cost of manufacture, sale, or delivery or for the differing methods or quantities in which the equipment is sold or delivered, by the equipment manufacturer; or

(4) attempt or threaten to terminate, cancel, fail to renew, or substantially change the competitive circumstances of the dealership agreement if the attempt or threat is based on the results of a natural disaster, a labor dispute, or other circumstance beyond the dealer's control.

Laws 1989, c. 267, § 3, eff. May 27, 1989. Amended by Laws 1991, c. 70, § 9.

Historical and Statutory Notes

Laws 1989, c. 267, § 6 provides:

"Sections 1 to 2 [enacting §§ 325E.068, 325E.0681, this section, §§ 325E.0683, and 325E.0684] are effective the day after final enactment (May 27, 1989) and apply to all dealership agreements now in effect that have no expiration date and that are continuing contracts and all other contracts entered into, amended, or renewed on or after that date. A contract in effect on the day of final enactment (May 26, 1989), which by its terms will terminate on a date after that date and which is not renewed, is governed by the law as it existed before the day of final enactment (May 26, 1989)."

The 1991 amendment in par. (a) deleted "parts, or accessories" following "heavy and utility equipment".

Laws 1991, c. 70, § 11 provides:

"The amendments by sections 1 to 10 [amending sections 325E.061, subds. 2, 4, and 5, 325E.063, 325E.064, 325E.068, subds. 2, 4, and 5, 325E.0681, and 325E.0683] are restatements and clarifications of the sections they amend and must not be construed as modifications of existing law."

Laws 1991, c. 70, § 12 provides:

"Sections 1 to 11 are effective the day after final enactment (governor's approval May 10, 1991). The sections apply to all dealership agreements now in effect that have no expiration date and to all other contracts entered into, amended, or renewed after the day of enactment."

325E.0683. Status of inconsistent agreements

A term of a dealership agreement either expressed or implied, including a choice of law provision, that is inconsistent with the terms of sections 325E.068

to 325E.0684 or that purports to waive an equipment manufacturer's compliance with sections 325E.068 to 325E.0684 is void and unenforceable and does not waive any rights that are provided to a person by sections 325E.068 to 325E.0684.

Laws 1989, c. 267, § 4, eff. May 27, 1989. Amended by Laws 1991, c. 70, § 10.

Historical and Statutory Notes

Laws 1989, c. 267, § 6 provides:

"Sections 1 to 5 (enacting §§ 325E.068, 325E.0681, 325E.0682, this section, and § 325E.0684) are effective the day after final enactment (May 27, 1989) and apply to all dealership agreements now in effect that have no expiration date and that are continuing contracts and all other contracts entered into, amended, or renewed on or after that date. A contract in effect on the day of final enactment (May 26, 1989), which by its terms will terminate on a date after that date and which is not renewed, is governed by the law as it existed before the day of final enactment (May 26, 1989)."

The 1991 amendment inserted "including a choice of law provision," and "or that purports

to waive an equipment manufacturer's compliance with sections 325E.068 to 325E.0684."

Laws 1991, c. 70, § 11 provides:

"The amendments by sections 1 to 10 (amending sections 325E.061, subds. 2, 4, and 5, 325E.063, 325E.064, 325E.068, subds. 2, 4, and 5, 325E.0682, and 325E.0683) are restatements and clarifications of the sections they amend and must not be construed as modifications of existing law."

Laws 1991, c. 70 § 12 provides:

"Sections 1 to 11 are effective the day after final enactment (governor's approval May 10, 1991). The sections apply to all dealership agreements now in effect that have no expiration date and to all other contracts entered into, amended, or renewed after the day of enactment."

325E.0684. Remedies

If an equipment manufacturer violates sections 325E.068 to 325E.0684, an equipment dealer may bring an action against the manufacturer in a court of competent jurisdiction for damages sustained by the dealer as a consequence of the manufacturer's violation, together with the actual costs of the action, including reasonable attorney's fees. The dealer also may be granted injunctive relief against unlawful termination, cancellation, nonrenewal, or substantial change of competitive circumstances. The remedies in this section are in addition to any other remedies permitted by law.

Laws 1989 c. 267, § 5, eff. May 27, 1989.

Historical and Statutory Notes

Laws 1989, c. 267, § 6 provides:

"Sections 1 to 5 (enacting §§ 325E.068, 325E.0681, 325E.0682, 325E.0683, and this section) are effective the day after final enactment (May 27, 1989) and apply to all dealership agreements now in effect that have no expiration date and that are continuing contracts and

all other contracts entered into, amended, or renewed on or after that date. A contract in effect on the day of final enactment (May 26, 1989), which by its terms will terminate on a date after that date and which is not renewed, is governed by the law as it existed before the day of final enactment (May 26, 1989)."

Law Review Commentaries

Statutory law-shifting: new opportunities to enhance client results. Arlo H. Vande Vaeke, 15 Minn.T.Law. 2 (Fall 1990).

51-06-03. **Penalty.** Any person violating any of the provisions of this chapter is guilty of a class B misdemeanor.

Source: S.L. 1957, ch. 324, § 3; R.C. 1943, 1957 Supp., § 51-0603; S.L. 1975, ch. 106, § 547.

CHAPTER 51-07

MISCELLANEOUS PROVISIONS

Section

- 51-07-01. Retail implement or car dealer may recover price of articles upon discontinuance of contract by wholesaler or retail dealer.
- 51-07-01.1. Termination of franchises to be done in good faith — Definition of good cause.
- 51-07-02. Prices of implements, machinery, automobiles, and parts — How determined.
- 51-07-03. Failure to pay sum specified on cancellation of contract — Liability.
- 51-07-04. Selling goods bearing counterfeit trademark — Penalty.
- 51-07-04.1. Defacing, destroying, or altering serial numbers on farm machinery — Penalty.
- 51-07-05, 51-07-06. Repealed by omission.
- 51-07-07. Reasonable time to discover defects in engine or machinery — Rescinding contract — When contract void.
- 51-07-08. Repealed by S.L. 1975, ch. 106, § 673.
- 51-07-09. Waiving, releasing, or barring of cause of action before it actually has accrued prohibited.
- 51-07-10. Repealed by S.L. 1965, ch. 296, § 32.
- 51-07-11. Property sold under conditional sale contract not attached, repossessed, or acquired until taxes paid.
- 51-07-12. Automobile sales finance contracts — Information of insurance protection to be given — Warning required — Penalty.
- 51-07-13. Labeling imported meats sold — Penalty.
- 51-07-14. Maximum amount of service charge which wholesalers and manufacturers may charge on overdue accounts.

51-07-01. Retail implement or car dealer may recover price of articles upon discontinuance of contract by wholesaler or retail dealer. Whenever any person, firm, or corporation engaged in the business of selling and retailing farm implements and repair parts for farm implements, or in the business of selling and retailing automobiles or trucks, or repair parts for automobiles or trucks, enters into a written contract whereby such retailer agrees to maintain a stock of parts or complete or whole machines, or attachments with any wholesaler, manufacturer, or distributor of farm implements, machinery, attachments, or repair parts, or automobiles, trucks, or repair parts, and either such wholesaler, manufacturer, or distributor or the retailer desires to cancel or discontinue the contract, such wholesaler, manufacturer, or distributor, shall pay to such retailer unless the retailer should desire to keep such merchandise, a sum equal to one hundred percent of the net cost of all current unused complete farm implements, machinery, attachments, automobiles, and trucks including transportation charges which have been paid by such retailer, and eighty-five percent of the current net prices on repair parts, including superseded parts listed in current price lists or catalogs which parts had previously been purchased from such wholesaler, manufacturer, or distributor, and held by such retailer on the date of the cancellation or discontinuance of such contract or thereafter received by such retailer from the wholesaler, manufacturer, or distributor. The wholesaler, manufacturer, or distributor shall also pay

such retailer a sum equal to five percent of the current net price of all parts returned for the handling, packing, and loading of such parts back to the wholesaler, manufacturer, or distributor. Upon the payment of the sum equal to one hundred percent of the net cost of such farm implements, machinery, attachments, automobiles, and trucks, plus transportation charges which have been paid by the retailer and eighty-five percent of the current net prices on repair parts, plus freight charges which have been paid by the retailer, plus five percent of the current net prices for handling and loading costs on repair parts only, the title to such farm implements, farm machinery, attachments, automobiles, trucks, or repair parts, shall pass to the manufacturer, wholesaler, or distributor making such payment, and such manufacturer, wholesaler, or distributor, shall be entitled to the possession of such farm implements, machinery, attachments, automobiles, trucks, or repair parts.

The provisions of this section shall be supplemental to any agreement between the retailer and the manufacturer, wholesaler, or distributor covering the return of farm implements, machinery, attachments, automobiles, trucks, and repair parts so that the retailer can elect to pursue either his contract remedy or the remedy provided herein, and an election by the retailer to pursue his contract remedy shall not bar his right to the remedy provided herein as to those farm implements, machinery, attachments, automobiles, trucks, and repair parts not affected by the contract remedy.

The provisions of this section shall apply to all contracts now in effect which have no expiration date and are a continuing contract, and all other contracts entered into or renewed after July 1, 1971. Any contract in force and effect on July 1, 1971, which by its own terms will terminate on a date subsequent thereto shall be governed by the law as it existed prior to the 1971 amendment.

Source: S.L. 1937, ch. 125, §§ 1, 3; R.C. 1943, § 51-0701; S.L. 1961, ch. 369, § 1, 1963, ch. 329, § 1; 1971, ch. 472, § 1.

farm machinery at his own price and then force wholesaler to take the balance under provisions of this statute, the sale by retailer being an election on his part to keep the merchandise. *Kaisershot v. Gamble-Skogmo, Inc.* (1959) 96 NW 2d 606.

Election of Remedies.

Retailer could not dispose of a portion of

51-07-01.1. Termination of franchises to be done in good faith — Definition of good cause.

1. Any manufacturer, wholesaler, or distributor of farm implements, machinery, and repair parts therefor, or of automobiles, trucks, and repair parts therefor, who enters into a contract with any person, firm, or corporation engaged in the business of selling and retailing farm implements and repair parts for farm implements, or in the business of selling and retailing automobiles or trucks or repair parts for automobiles or trucks whereby such retailer agrees to maintain a stock of parts or complete or whole machines or attachments, automobiles, or trucks, shall not terminate, cancel, or fail to renew any such contract with the person, firm, or corporation without good cause.
2. For the purpose of this section, good cause for terminating, canceling, or failing to renew a contract shall be limited to failure by the person, firm, or corporation in the business of selling and retailing to comply

with those requirements imposed by the written contract between the parties. Further, the determination by the manufacturer, wholesaler, or distributor of good cause for such termination, cancellation, or failure to renew must be made in good faith.

In any action against a manufacturer, wholesaler, or distributor for violation of this section, the manufacturer, wholesaler, or distributor must establish that the termination, cancellation, or failure to renew was made in good faith for good cause as that term is defined in this section. If the manufacturer, wholesaler, or distributor fails to establish good cause for its action, it shall be liable for all special and general damages sustained by the plaintiff, including, but not limited to, the costs of the litigation and reasonable attorneys' fees for prosecuting the action, and the plaintiff, where appropriate, shall be entitled to injunctive relief. The provisions of this section shall apply to all contracts now in effect which have no expiration date and are continuing contracts and all other contracts entered into, amended, or renewed after July 1, 1975. Any contract in force and effect on July 1, 1975, which by its terms will terminate on a date subsequent thereto shall be governed by the law as it existed prior to July 1, 1975.

Source: S.L. 1975, ch. 450, § 1.

36 Am. Jur. 2d, Franchises, §§ 44, 59-62
57 C. J. S. Franchises, § 26.

Collateral References.

Franchises ⇌ 11.

51-07-02. Prices of implements, machinery, automobiles, and parts — How determined. The prices of farm implements, machinery, and repair parts therefor, and of automobiles, trucks, and repair parts therefor, required to be paid to any retail dealer as provided in section 51-07-01, shall be determined by taking one hundred percent of the net cost on farm implements, machinery, attachments, automobiles, and trucks, and eighty-five percent of the current net price of repair parts therefor as shown upon the manufacturer's, wholesaler's, or distributor's price lists or catalogs in effect at the time such contract is canceled or discontinued.

Source: S.L. 1937, ch. 125, § 2; R.C. 1943,
§ 51-0702; S.L. 1961, ch. 309, § 2; 1963, ch. 329,
§ 2.

51-07-03. Failure to pay sum specified on cancellation of contract — Liability. In the event that any manufacturer, wholesaler, or distributor of farm machinery, farm implements, and repair parts for farm machinery, and farm implements, or of automobiles, trucks, and repair parts therefor, upon cancellation of a contract by either a retailer or a manufacturer, wholesaler, or distributor, fails or refuses to make payment to such dealer as is required by section 51-07-01, or refuses to supply farm machinery, farm implements, and repair parts for farm machinery and farm implements or automobiles or trucks, or repair parts therefor, to any retailer of such products, who may have a retail sales contract dated after July 1, 1963, or a contract with no expiration date or a continuing contract in force or effect on July 1, 1963, with such manufacturer, wholesaler, or distributor, such manufacturer, wholesaler, or distributor shall be liable in

CHAPTER 51-20.1

HEAVY CONSTRUCTION EQUIPMENT
FRANCHISE TERMINATION

Section

- 51-20.1-01. Definitions.
 51-20.1-02. Retail dealers may recover cost of equipment and parts upon discontinuance of contract with distributor.
 51-20.1-03. Termination of contractual arrangements to be done with good cause — "Good cause" defined.
 51-20.1-04. Determination of retail dealer's reimbursement.
 51-20.1-05. Failure to make reimbursement on cancellation of contract — Liability.

51-20.1-01. Definitions. As used in this chapter, unless the context requires otherwise:

1. "Distributor" means any person involved in manufacturing, wholesaling, or distributing heavy construction equipment or repair parts for heavy construction equipment, or both equipment and parts, who is authorized to, and does, enter into a written contract with a retail dealer.
2. "Heavy construction equipment" means self-propelled or pull-type construction machinery, and accessories therefor, primarily used in projects requiring paving, earthmoving, or bridge, road, highway, and commercial building construction.
3. "Person" includes any individual, firm, partnership, joint venture, association, corporation, or other business entity.
4. "Retail dealer" means every person engaged in the business of selling heavy construction equipment at retail.

Source: S.L. 1981, ch. 490, § 1.

51-20.1-02. Retail dealers may recover cost of equipment and parts upon discontinuance of contract with distributor. If a retail dealer has entered into a written contract with a distributor wherein the retail dealer agrees to maintain a stock of heavy construction equipment, repair parts, or both heavy construction equipment and repair parts, and either the distributor or the retail dealer desires to cancel or discontinue the contract, the distributor shall pay to the retail dealer, unless the retail dealer desires to keep the equipment or repair parts, the following amounts:

1. A sum equal to one hundred percent of the net cost of all unused, complete heavy construction equipment.
2. Eighty-five percent of the current net prices on repair parts, including the superseded parts listed in current price lists or catalogs, if the superseded parts have previously been purchased from the distributor, and were in the retail dealer's inventory on the date of cancellation or discontinuance of the contract, or were thereafter received by the retail dealer from the distributor.
3. A sum equal to five percent of the current net price of all parts returned as reimbursement for handling, packing, and loading of those parts.
4. Any freight charges on the equipment or repair parts paid by the retail dealer.

When a distributor has made payment in accordance with this section, title to the heavy construction equipment and repair parts shall pass to the distributor, and the distributor shall be entitled to possession of the heavy construction equipment and repair parts. This section is supplemental to any provisions contained in any contract between the retail dealer and the distributor relating to the return of heavy construction equipment and repair parts. Thus, the retail dealer can elect to pursue his remedy under this section, or under the contract relating to return of heavy construction equipment and repair parts. An election by a retail dealer to pursue a contractual remedy shall not bar his right to the remedy provided by this section with respect to those pieces of heavy construction equipment and repair parts not affected by the contract remedy.

The provisions of this section apply to every contract now in effect which has no stated expiration date, and to all other contracts entered into after June 30, 1981. Contracts in force and effect on June 30, 1981, which by their terms will terminate on a date subsequent to June 30, 1981, shall be governed by the law existing prior to July 1, 1981.

Sources: S.L. 1981, ch. 400, § 2.

36 Am. Jur. 2d, Franchises, §§ 44-45.

Collateral References.

37 C. J. S. Franchise, §§ 26-32.

Franchises ⇐ 11.

51-20.1-03. Termination of contractual arrangements to be done with good cause — "Good cause" defined.

1. Any distributor of heavy construction equipment, repair parts, or both who enters into a written contract with any retail dealer in heavy construction equipment, repair parts, or both, in which the retail dealer agrees to maintain a stock of heavy construction equipment, repair parts, or both, may not terminate, cancel, or fail to renew the contract without good cause.
2. As used in this section, "good cause" means that the retail dealer has failed to comply with the requirements imposed upon him by the terms of the written contract between the retail dealer and the distributor. The determination by the distributor that the distributor has good cause for termination, cancellation, or nonrenewal must be made in good faith.
3. In any civil action against a distributor for violating this section, the distributor must establish that the contract termination, cancellation, or nonrenewal was made in good faith for good cause. If the distributor fails to establish good cause for its termination, cancellation, or nonrenewal action, the distributor shall be liable for all special and general damages sustained by the retail dealer, including, but not limited to, the costs of the litigation and reasonable attorney's fees for prosecuting the civil action. In addition, the retail dealer, where appropriate, shall be entitled to injunctive relief. The provisions of this section apply to contracts in effect on July 1, 1981, which have no expiration date and are continuing contracts, and to all other contracts entered into, amended, or renewed after June 30, 1981. This section does not apply to contracts in force and effect on June 30, 1981, which by their terms will terminate on a date subsequent to June 30, 1981. Those

contracts shall be governed by the law as it existed prior to July 1, 1981.

Source: S.L. 1981, ch. 499, § 3.

51-20.1-04. **Determination of retail dealer's reimbursement.** The extent of reimbursement of the retail dealer for heavy construction equipment and repair parts pursuant to section 51-20.1-02, shall be determined by taking one hundred percent of the net cost on unused, complete heavy construction equipment, and eighty-five percent of the current net price of repair parts, as shown in the distributor's price lists or catalogs in effect at the time the contract was canceled, terminated, or not renewed.

Source: S.L. 1981, ch. 499, § 4.

51-20.1-05. **Failure to make reimbursement on cancellation of contract — Liability.** If any heavy construction equipment distributor fails or refuses, upon cancellation, termination, or nonrenewal of a contract by either a retail dealer or the distributor, to make payment to the retail dealer as required by section 51-20.1-02, the distributor shall be liable in a civil action brought by the retail dealer for one hundred percent of the net cost of the unused, complete heavy construction equipment, plus transportation charges paid by the retail dealer; and eighty-five percent of the current net price of repair parts, plus five percent of that current net price for handling and loading plus freight charges on the repair parts which have been paid by the retail dealer. A distributor shall be liable for equivalent amounts in a civil action if he refuses to supply heavy construction equipment, repair parts, or both, to a retail dealer who has a contract dated after June 30, 1981, or a contract with no expiration date which is continuing in force on July 1, 1981.

Source: S.L. 1981, ch. 499, § 5.

CHAPTER 51-21

RETAIL THEFT ACT

Section

- 51-21-01. Definitions.
- 51-21-02. Presumption.
- 51-21-03. Detention of suspect — Procedure.
- 51-21-04. Civil and criminal immunity for acts of detention.
- 51-21-05. Civil remedy against adult shoplifters or the parent of a minor shoplifter.

51-21-01. **Definitions.** As used in this chapter, unless the context requires otherwise:

1. An item is "concealed" within the meaning of this chapter if, even though there is some notice of its presence, the item itself is not visible through ordinary observation.
2. "Full retail value" means the merchant's stated or advertised price of the merchandise.
3. "Merchandise" means any item of tangible personal property, and specifically includes shopping carts.



JOHNSON TRAILER SALES, INC.

Wilson — Muvall — Fruehauf

Serving the Trucking Industry Since 1959

March 8, 2001

Chairman Wanzek and members of the Senate Agriculture Committee, for the record my name is Dick Johnson, President of Johnson Trailer Sales, Inc. Our trailer dealer license is TD 9. I have sales, parts, and service facilities in Bismarck and Fargo. Our company has been a semi trailer dealer in North Dakota since 1959. Because of a prior meeting commitment, I am unable to attend the hearing on HB 1324. I would ask for your favorable consideration on HB 1324 and that this written testimony be entered into the record.

This legislation would add semi trailer dealers to the following list of dealers that are offered some repurchase protection from contract cancellations under section 57-07-01 of the ND Century Code.

Farm Implement Dealers
Automobile Dealers
Truck Dealers

As dealers we are normally required by the terms of the manufacture's contract to stock both trailers and repair parts as well as offer service and repairs. Our investment is considerable.

I ask for your favorable consideration on HB 1324. Should you have any questions I will be available after March 12th and can be reached at the number listed below.

Dick Johnson
Johnson Trailer Sales, Inc.