

SESSION OF 2002

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2660**

As Amended by House Committee on  
Agriculture

**Brief\***

HB 2660 would amend three laws which deal with the required repurchase of farm equipment, outdoor power equipment, and lawn and garden equipment and associated parts when there has been a termination of a dealership franchise agreement. Each of these laws does not require the repurchase of equipment or repair parts which were acquired by the retailer from any source other than the wholesaler, manufacturer, distributor, or transferee. However, the bill would make an exception and require repurchase of equipment or repair parts if they were ordered from, invoiced to the retailer by, or financed to the retailer by the wholesaler, manufacturer, distributor, or transferee. The same amendment would be made to all three laws.

**Background**

This bill was introduced at the request of a spokesperson from the Western Association. At the hearing on the bill the only conferee was this spokesperson. The spokesperson stated that as a result of recent dealership terminations some manufacturers have taken the position that when a dealership contract is terminated they are not obligated by Kansas law to repurchase parts and equipment which have been purchased from other than the manufacturer or distributor. The conferee explained that there are instances in which the dealer has acquired the parts from other sources at the direction or by the authorization of the manufacturer or distributor, and other instances in which the manufacturer or distributor arranges for the equipment or parts to be acquired from another source arranged for by the

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.accesskansas.org/legislature/>

manufacturer or distributor. The conferee stated that it is in these instances when the group he is representing believes that repurchase should be required and that is what the bill is attempting to address. There were no other conferees on the bill.

The fiscal note on the bill states that the Attorney General estimates there would be no fiscal effect resulting from the enactment of HB 2660.