

Kansas SB 426: Contracts relating to dealership agreements for farm equipment, outdoor power equipment and lawn and garden equipment.

Position:

CNH Industrial (CNHI), manufacturers (including a large manufacturing site in Wichita), of Case IH and New Holland brands of farm equipment and, Case and New Holland brands of construction equipment opposes SB 426 The bill seeks to make sweeping changes to the existing statute regarding regulation of the business relationship between equipment dealers and equipment manufacturers.

Rationale:

SB 426 is a unilateral proposal from the Western Equipment Dealer Association without demonstrable input from manufacturers in certain key areas of the bill.



We have identified specific areas in which the bill adversely effects:

- manufacturer’s ability to raise the brand image, and therefore the dealer’s brand image in the competitive marketplace;
- interference with existing dealer / manufacturer contracts through retro-active implementation of amendments ;

Of particular concern are the following Sections of the bill:

- **Section 5, K.S.A. 16-1202 (a) and 16-1302 (a) “change in competitive circumstances”**
 - The language regarding approval of a new authorized location or relocation is ambiguous and will leave dealers and manufacturers in conflict;
- **Section 5, K.S.A. 16-1204 (b) “sale or transfer of the dealership to another party”**
 - A manufacturer that holds the contractual authority to approve the sale of a dealership must also have the reasonable expectation that the purchaser will provide not only information about the person, but also a professional business plan and intention for the dealership for the manufacturer’s review and approval;
- **SECTION 16, KSA 16-1409 (b)**
 - Retro-active implementation (re existing statute : “all contracts entered into, renewed, amended, assigned or transferred on or after July 1, 1992”) of the proposed amendments represent an unreasonable intrusion on existing contracts between two private parties and therefore should be prohibited.



We very much appreciate your consideration and we welcome the opportunity to work with the Western Equipment Dealer Association, and the committee, to create a solution that meets the needs of Kansas dealers, ranchers, farmers and contractors.

Sincerely,

Jeff Bolander

Jeff Bolander
Plant Manager
CNHI – Wichita Plant
Wichita, KS

George Whitaker

George Whitaker
State Government Affairs
CNH Industrial America LLC
Racine, WI 53404
Office: 262-636-6004
Email: george.whitaker@cnhind.com

Copy: Chairman Mike Petersen (Chairman)
Vice-Chairman - Dan Goddard
Ranking Member – Senator Pat Pettey
Senator Steve Fitzgerald
Senator Randall Hardy
Senator Tom Hawk
Senator Richard Hilderbrand
Senator Ty Masterson
Senator Vicki Schmidt
Senator John Skubal
Senator Caryn Tyson

CNH Industrial America (CNHI)

CNHI is a global manufacturer of Case IH and New Holland brands of agricultural equipment, and, Case and New Holland brands of construction equipment. Our brands are sold and serviced by dealers in all 50 states and over 160 countries around the globe.

CNHI in Kansas:

CNHI operates a 500,000 sq. ft. manufacturing and engineering center in Wichita which produces skid-steer loaders and compact track loaders for North America and export to foreign markets

*The CNHI Wichita Plant employs over 500 people and supports over 32 Kansas suppliers
CNHI brands have over 80 independently owned dealer locations in the State of Kansas.*