

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM: 2016

Bill Number: S.224 Name of Bill: Warranty Obligations of Equipment Dealers and Suppliers

Agency/ Dept: ACCD Author of Bill Review: Fred Kenney

Date of Bill Review: 5/19/2016 Related Bills and Key Players: Sens. Rodgers, Mullin, Rep. Botzow,

Status of Bill: (check one): Upon Introduction As passed by 1st body As passed by both

Recommended Position:

Support Oppose Remain Neutral Support with modifications identified in #8 below

Analysis of Bill

1. **Summary of bill and issue it addresses.** *Describe what the bill is intended to accomplish and why.*
Extend regulation of equipment dealers and suppliers to include snowmobile and ATV dealers and suppliers. To prevent arbitrary treatment of Vermont snowmobile and ATV dealers by suppliers, ensure robust and competitive independent dealer network, and avoid unfair warranty obligations from being compelled on all Vermont machinery and equipment dealers by their suppliers.
2. **Is there a need for this bill?** *Please explain why or why not.*
Yes, according to dealers that feel they have been unfairly treated by suppliers.
3. **What are likely to be the fiscal and programmatic implications of this bill for this Department?**
None.
4. **What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?**
None.
5. **What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it?** *(for example, public, municipalities, organizations, business, regulated entities, etc)*
Some suppliers oppose the bill on the grounds that it interferes in private contracts and may increase litigation costs and equipment costs for dealers and customers.
6. **Other Stakeholders:**

6.1 Who else is likely to support the proposal and why?

Some equipment and machinery dealers and the Northeast Equipment Dealers Assn. Provides protection from arbitrary actions by suppliers.

6.2 Who else is likely to oppose the proposal and why?

Some manufacturers and suppliers such as John Deere, Kubota, CNH Industrial America, Assn of Equipment Manufacturers. Regulates private contracts Limits suppliers control over dealers.

7. Rationale for recommendation: *Justify recommendation stated above.*

Provides protections for Vermont dealers. Prevents unfair or arbitrary treatment of equipment, snowmobile, and ATV dealers by their suppliers. Helps maintain a robust and competitive dealer network.

Please return this bill review as a Microsoft Word document to Jahala.Dudley@vermont.gov & Jessica.Mishaan@vermont.gov

8. **Specific modifications that would be needed to recommend support of this bill:** *Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.*
9. **Will this bill create a new board or commission AND/OR add or remove appointees to an existing one? If so, which one and how many?**

None

Secretary/Commissioner has reviewed this document:

Lucy Reicla Date: 5/23/16