

**Honorable Mr. Botzow Chairman, Mr. Marcotte Vice-Chair and members of the
Commerce & Economic Development Committee**

My name is Tim Wentz I am the Field Director and Chairman of the Legislative Committee for the Northeast Equipment Dealers Association, Inc. a non-profit dealers association representing members in the nine state northeast region from Pennsylvania/New Jersey to Maine. Today I'll do my best to answer the following questions:

- Why now?
- Why include ATV, Snowmobile, Appliance and Dealers?
- Where did the language come from?

The Vermont legislature enacted, Title 9: Commerce and Trade Chapter 107: MACHINERY DEALERSHIPS in 1993, the law has remained substantially unchanged since enacted and no longer reflects the current state of the industry and Vermont's unique market place. Thirty-two other states have either enacted or substantially amended their "Fair Dealer" laws since 1999, Vermont's law is overdue. The state's economy depends on Consumers, Tourists, Contractors, Land Landscape Contractors, Foresters and Agricultural Producers having access to a healthy and vibrant dealer network for their equipment purchases. A competitive market place composed of an independent network dealers representing multiple product lines is the best way I know to ensure that happens.

The equipment market place has changed, and most dealers adjusted their business plan to fit the changed environment like the manufacturers they represent and offered new products and services, their farm and other customers required. Many dealers expanded into ATVs/UTVs and power sports. To my knowledge and research, no existing Vermont laws govern the business relationship between ATVs/UTVs and/or snowmobile dealers and manufacturers. Many dealers tell me their relationship and dealer agreements/contracts with their suppliers are similar regardless of the manufacturer, market or industry covered. Most dealers are offered one-sided 'dealer agreements/contracts' written by and for the exclusive benefit of the manufacturer with little to no opportunity for negotiation by the dealer...but rather an ultimatum by the manufacturer to "sign here if you wish to continue and/or represent our product line offering.

Our suggested amendments uses language based on many existing laws in the U.S. as well as dealer protection laws in surrounding States. For example, the definition of a single line dealer as used in Maine and New Hampshire, both also includes construction equipment as well as 28 other states. Maine also includes bundled parts and enhanced coercion language. Alabama, South Carolina, South Dakota and several other states limit a manufacturer's ability to changes a dealer's competitive circumstances and address market share and/or sales performance; other state laws address a dealer's right to restructure their businesses finances provided they can meet reasonable credit standards. The warranty language we are using was adapted from recent updates to Maine's dealer law.

In our amended Vermont dealer law presented to Rep. Mike Yantachka, every effort was made to be fair and reasonable to all parties and avoided to breaking new ground; while at the same time incorporate some of the protections provided by other existing state laws regulating Equipment, ATV and Snowmobile dealers in adjacent states. We fully believe our suggested updates are necessary if Vermont dealers are to compete on a level playing field and in the global in the market place.