

1 S.224

2 Representatives Parent of St. Albans Town and Scheuermann of Stowe
3 move that the House propose to the Senate to amend the bill in Sec. 1 by
4 striking out subdivision (a)(4) and subsection (b) in their entirety and
5 inserting lieu thereof a new subdivision (a)(4) and subsections (b)–(c) to read:

6 (4)(A) Due to the smaller geographic size and population of Vermont
7 relative to most other predominantly agricultural states, such as those located
8 in the Midwest and Great Plains, dealers of machinery, equipment,
9 snowmobiles, and all-terrain vehicles in this State must tailor the nature and
10 scope of their inventory and services to a Vermont scale.

11 (B) As compared to larger states, the majority of Vermont farms,
12 agricultural businesses, and forest products businesses, and other commercial
13 and recreational users of equipment operate on a much smaller scale and need
14 to be diversified to survive. Accordingly, Vermont dealers need to offer
15 inventory that is suited to this smaller scale and equally diverse in selection.

16 (C) Due to these geographic, size, and population factors, Vermont
17 dealers do not sell the same volume of inventory as in larger states, and in
18 many regions of Vermont, small dealers represent multiple supplier's lines in
19 order to have the necessary variety of inventory.

20 (D) Many Vermont dealers operate pursuant to dealer agreements
21 that are longstanding and seldom re-negotiated. In some cases, Vermont

1 dealers do not operate under any written agreement, but rather, pursuant to a
2 verbal agreement and mutual understanding.

3 (E) Frequently equipment suppliers offer dealer agreements to
4 Vermont dealers that are modeled on, or identical to, standard form agreements
5 used throughout the United States, with terms and conditions that are not well
6 suited to Vermont-scale agricultural or commercial operations. Given the
7 relatively small number, size, value, and market share that Vermont dealers
8 represent for large national and international suppliers, Vermont dealers have
9 relatively less leverage to negotiate changes in the these standard form
10 agreements.

11 (F) As with other business consumer protection laws, including laws
12 governing contractual agreements for motor vehicle franchises, agricultural
13 finance leases, payment obligations under construction contracts, and service
14 station franchises, the State has a significant and legitimate public purpose in
15 exercising its police power to establish minimum legal standards that ensure
16 contracts are fair and appropriate for Vermont-based commerce.

17 (b) In light of these findings, the purposes of this act are:

18 (1) to ensure that dealer agreements comply with certain minimum legal
19 standards that are both fair to suppliers and Vermont dealers and that are
20 appropriate to the scale of Vermont farming and commerce;

1 (2) to ensure that Vermont business and individual consumers continue
2 to have access to a robust independent dealer network that is responsive to the
3 needs of small scale, diversified agricultural and business operations; and

4 (3) to ensure that businesses, governments, and individual consumers
5 throughout the regions of the State have access to inventory at competitive
6 prices for equipment, machinery, snow-mobiles, and all-terrain vehicles, as
7 well as access to warranty, recall, and repair work and other necessary
8 services.

9 (c) It is the intent of the General Assembly that this act be liberally
10 construed in order to achieve its purposes.

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