

1 TO THE HONORABLE SENATE:

2 The Committee on Agriculture to which was referred House Bill No. 81
3 entitled “An act relating to fair repair of agricultural equipment” respectfully
4 reports that it has considered the same and recommends that the Senate
5 propose to the House that the bill be amended by striking out all after the
6 enacting clause and inserting in lieu thereof the following:

7 Sec. 1. FINDINGS AND PURPOSE

8 (a) Findings. The General Assembly finds:

9 (1) The Vermont food, agriculture, and forest sectors are significant
10 components of the State’s economy, its rural heritage, and its identity as a
11 State.

12 (A) According to the Working Lands Enterprise Initiative, about 20
13 percent of Vermont’s land is used for agriculture, while another 78 percent is
14 forested. In surveys conducted by the Initiative, over 97 percent of
15 Vermonters expressed that they value the working landscape.

16 (B) The 2023 U.S. Food and Agriculture Industries Economic Impact
17 Study found that the food and agriculture industries in Vermont were
18 associated with nearly 104,000 jobs, \$5.2 billion in wages, and \$19.3 billion in
19 economic output.

1 (C) The Vermont Sustainable Jobs Fund estimates that Vermont’s
2 forest products industry generates an annual economic output of \$1.4 billion
3 and supports 10,500 jobs.

4 (2) Agricultural and forestry activity varies by season, is weather-
5 dependent, and is heavily reliant on having access to increasingly sophisticated
6 agricultural and forestry equipment. Vermont farmers’ and foresters’ access to
7 safe and reliable equipment is essential to timely planting, cultivating, tilling,
8 and harvesting of produce, protein, grain, timber, and other wood forest
9 products.

10 (3) The COVID-19 pandemic further highlighted the increased and
11 ongoing need for functional agricultural and forestry equipment as individuals
12 in Vermont increasingly rely on the equipment to guarantee access to food and
13 wood products during periods of supply chain disruption, raw material and
14 commodities shortages, and heightened food insecurity.

15 (4) Authorized repair providers are important Vermont businesses that
16 play a critical role for farmers and foresters by offering access to diagnosis,
17 maintenance, and repair services for agricultural and forestry equipment.

18 (5) In general, original equipment manufacturers and authorized repair
19 providers are able to provide independent repair providers and owners with
20 adequate access to necessary parts for agricultural and forestry equipment.
21 However, in order to maintain complex safety and emissions systems,

1 limitations on software-related repairs implemented by original equipment
2 manufacturers have led to frustration for some customers.

3 (6) Due to workforce, seasonal workload, and geographic constraints,
4 authorized repair providers are not always able to meet the demand for timely
5 diagnosis, maintenance, or repair services to farmers and foresters in this State.

6 (7) As for many Vermont employers, critical workforce shortages
7 prevent authorized repair providers from operating at full staff capacity, which
8 can contribute to costly delays in performing diagnosis, maintenance, and
9 repair services.

10 (8) The need for more accessible and affordable repair options is felt
11 more acutely among specific sectors of the population, notably Vermont
12 residents in more rural and remote areas.

13 (9) Original equipment manufacturer shops and authorized repair
14 providers are sometimes not located close to owners or independent repair
15 providers, which may require owners or independent repair providers to travel
16 long distances for repair or to be without functioning agricultural or forestry
17 equipment for longer periods of time.

18 (10) Owners may be capable of performing their own diagnosis,
19 maintenance, and repair services for their equipment.

20 (11) Independent repair providers play a vital role in Vermont's
21 economy. Providing access to information, parts, and diagnostic and repair

1 tools is essential in contributing to a competitive repair market and allowing
2 independent repair shop employees to fix equipment safely.

3 (12) Extending the useful life and efficient operation of equipment may
4 provide additional benefits for farmers, foresters, and the environment.

5 (A) Computerized components of modern agricultural and forestry
6 equipment include precious metals that are finite.

7 (B) Emissions of agricultural and forestry equipment are better
8 regulated and limited by functional software and hardware computer elements,
9 thereby increasing the need for access to timely and effective repairs to ensure
10 optimal functionality that is within the confines of federal regulatory
11 limitations and existing technology needed to preserve intellectual property.

12 (13) Broader distribution of the information, tools, and parts necessary
13 to repair modern agricultural and forestry equipment may shorten repair times,
14 lengthen the useful lives of the equipment, lower costs for users, and benefit
15 the environment.

16 (b) Purpose. The purpose of this act is to ensure equitable access to the
17 parts, tools, and documentation that are necessary for independent repair
18 providers and owners to perform timely repair of agricultural and forestry
19 equipment in a safe, secure, reliable, and sustainable manner.

20 Sec. 2. SHORT TITLE

21 This act may be cited as the Fair Repair Act.

1 Sec. 3. 9 V.S.A. chapter 106 is added to read:

2 CHAPTER 106. AGRICULTURAL AND FORESTRY EQUIPMENT;

3 FAIR REPAIR

4 § 4051. DEFINITIONS

5 As used in this chapter:

6 (1) “Agricultural equipment” means a device, part of a device, or an
7 attachment to a device used principally off road and designed solely for an
8 agricultural purpose, including a tractor, trailer, or combine; implements for
9 tillage, planting, or cultivation; and other equipment principally associated
10 with livestock or crop production, horticulture, or floriculture.

11 (2)(A) “Authorized repair provider” means an individual or business
12 that has an arrangement with the original equipment manufacturer under which
13 the original equipment manufacturer grants to the individual or business a
14 license to use a trade name, service mark, or other proprietary identifier for the
15 purposes of offering the services of diagnosis, maintenance, or repair of
16 equipment under the name of the original equipment manufacturer or other
17 arrangement with the original equipment manufacturer to offer such services
18 on behalf of the original equipment manufacturer.

19 (B) An original equipment manufacturer that offers the services of
20 diagnosis, maintenance, or repair of its own equipment and that does not have
21 an arrangement described in subdivision (A) of this subdivision (2) with an

1 unaffiliated individual or business shall be considered an authorized repair
2 provider with respect to such equipment.

3 (3) “Documentation” means any manual, diagram, reporting output,
4 service code description, schematic diagram, security code, password, or other
5 guidance or information, whether in an electronic or tangible format, to
6 perform the services of diagnosis, maintenance, or repair of agricultural or
7 forestry equipment.

8 (4) “Forestry equipment” means nondivisible equipment, implements,
9 accessories, and contrivances used principally off road and designed solely for
10 harvesting timber or for on-site processing of wood forest products necessary
11 to and associated with a logging operation.

12 (5) “Independent repair provider” means a person operating in this State,
13 either through a physical business location or through a mobile service that
14 offers on-site repairs in the State, that does not have an arrangement described
15 in subdivision (2) of this section with an original equipment manufacturer and
16 that is engaged in the services of diagnosis, maintenance, or repair of
17 agricultural or forestry equipment.

18 (6) “Memorandum of understanding” means an agreement that is:

19 (A) related to the right to repair of agricultural or forestry equipment;

20 (B) not legally binding; and

1 (C) between the original equipment manufacturer and the American
2 Farm Bureau Federation or similar organization that advocates on behalf of
3 farmers or loggers.

4 (7) “Original equipment manufacturer” means a person engaged in the
5 business of selling, leasing, or otherwise supplying new agricultural or forestry
6 equipment manufactured by or on behalf of itself to any individual or business.

7 (8) “Owner” means an individual or business that owns or leases
8 agricultural or forestry equipment used in this State.

9 (9) “Part” means any replacement part, either new or used, made
10 available by an original equipment manufacturer for purposes of effecting the
11 services of maintenance or repair of agricultural or forestry equipment
12 manufactured by or on behalf of, sold or otherwise supplied by, the original
13 equipment manufacturer.

14 (10) “Repair” means to maintain, diagnose, or fix agricultural or forestry
15 equipment resulting in the equipment being returned to its original equipment
16 manufacturer specifications. “Repair” does not include the ability to:

17 (A) modify from original equipment specifications the embedded
18 software or code;

19 (B) change any equipment or engine settings that negatively affect
20 emissions or safety compliance; or

1 (C) download or access the source code of any embedded software or
2 code.

3 (11) “Tools” means any software program, hardware implement, or
4 other apparatus used for diagnosis, maintenance, or repair of agricultural or
5 forestry equipment, including software or other mechanisms required to restore
6 the product to its original manufacturer, including any updates.

7 (12) “Trade secret” has the same meaning as provided in 18 U.S.C.
8 § 1839.

9 § 4052. AVAILABILITY OF PARTS, TOOLS, AND DOCUMENTATION

10 (a) Duty to make available parts, tools, and documentation.

11 (1) An original equipment manufacturer shall offer for sale or otherwise
12 make available to an independent repair provider or owner the parts, tools, and
13 documentation for diagnosis or repair.

14 (2) If agricultural or forestry equipment includes an electronic security
15 lock or other security-related function that must be unlocked, enabled, or
16 disabled to perform diagnosis, maintenance, or repair of the equipment, an
17 original equipment manufacturer may require a secured authorization process
18 in order to prevent access to the source code or infringement of intellectual
19 property in software or hardware owned by the original equipment
20 manufacturer or licensed to the original equipment manufacturer by a third
21 party and subject to terms of use.

1 (3) An original equipment manufacturer may satisfy its obligation to
2 make parts, tools, and documentation available to an independent repair
3 provider or owner through an authorized repair provider that consents to sell or
4 make available parts, tools, or documentation on behalf of the manufacturer.

5 (b) Terms; limitations. Under the terms governing the sale or provision of
6 parts, tools, and documentation, an original equipment manufacturer shall not
7 impose on an independent repair provider or owner an additional cost or
8 burden that is not reasonably necessary within the ordinary course of business
9 or is designed to be an impediment on the independent repair provider or
10 owner, including:

11 (1) a substantial obligation to use, or a restriction on the use of, the
12 parts, tools, or documentation necessary to diagnose, maintain, or repair
13 agricultural or forestry equipment;

14 (2) a condition that the independent repair provider or owner become an
15 authorized repair provider of the original equipment manufacturer; or

16 (3) an additional burden or material change that adversely affects the
17 timeliness or method of delivering parts, tools, or documentation.

18 § 4053. ATTORNEY GENERAL ENFORCEMENT; NOTICE

19 (a) A person who violates a provision of this chapter commits an unfair and
20 deceptive act in trade and commerce in violation of section 2453 of this title.

1 (b) The Attorney General has the same authority to make rules, conduct
2 civil investigations, enter into assurances of discontinuance, and bring civil
3 actions as provided in chapter 63, subchapter 1 of this title.

4 (c) The Attorney General shall be notified in writing by the original
5 equipment manufacturer not later than 30 days after a memorandum of
6 understanding expires or has been terminated, withdrawn, or canceled by an
7 original equipment manufacturer subject to this chapter.

8 § 4054. APPLICATION; LIMITATIONS

9 (a) This chapter does not require an original equipment manufacturer to
10 divulge a trade secret to an owner or an independent repair provider.

11 (b) This chapter does not alter the terms of any arrangement described in
12 subdivision 4051(2)(A) of this title in force between an authorized repair
13 provider and an original equipment manufacturer, including the performance
14 or provision of warranty or recall repair work by an authorized repair provider
15 on behalf of an original equipment manufacturer pursuant to such arrangement,
16 except that any provision governing such an arrangement that purports to
17 waive, avoid, restrict, or limit the original equipment manufacturer's
18 obligations to comply with this chapter is void and unenforceable.

19 (c) This chapter does not alter the terms of a lease of agricultural or forestry
20 equipment between an owner and another person.

21 (d) An independent repair provider or owner shall not:

1 (1) modify agricultural or forestry equipment to temporarily deactivate
2 safety notification systems, except as necessary to provide diagnosis,
3 maintenance, or repair services;

4 (2) access any function of a tool that enables the independent repair
5 provider or owner to change the settings for a piece of agricultural or forestry
6 equipment in a manner that brings the equipment out of compliance with the
7 original manufacturer specifications or any applicable federal, state, or local
8 safety or emissions laws; or

9 (3) obtain or use parts, tools, or documentation to evade or violate
10 emissions, copyright, trademark, or patent laws or to engage in any other
11 illegal activity.

12 (e) Original equipment manufacturers and authorized repair providers are
13 not liable for faulty or otherwise improper repairs completed by independent
14 repair providers or owners, including repairs that cause:

15 (1) damage to agricultural or forestry equipment that occurs during such
16 repairs; and

17 (2) an inability to use, or the reduced functionality of, agricultural or
18 forestry equipment resulting from the faulty or otherwise improper repair.

19 (f) In the event that federal law preempts part of the activity regulated by
20 this chapter, this chapter shall be construed to regulate activity that has not
21 been preempted.

1 (g) This chapter shall not apply to an original equipment manufacturer that
2 has entered into a memorandum of understanding that substantially
3 incorporates the provisions of this chapter. In the event that a memorandum of
4 understanding expires or is terminated, withdrawn, or canceled, the original
5 equipment manufacturer shall be required to comply with all provisions of this
6 chapter no later than 30 days upon such termination, withdrawal, cancellation,
7 or expiration.

8 Sec. 4. EFFECTIVE DATE

9 This act shall take effect on January 1, 2026.

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(Committee vote: _____)

Senator _____
FOR THE COMMITTEE