

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE BILL 116
Committee Substitute Favorable 4/29/03

Short Title: Farm Machinery Law/Notice of Termination.

(Public)

Sponsors:

Referred to:

February 27, 2003

A BILL TO BE ENTITLED

AN ACT TO AMEND THE LAW GOVERNING NOTICE OF TERMINATION OF
FARM MACHINERY AGREEMENTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 66-182 reads as rewritten:

"§ 66-182. Notice of termination of agreements.

(a) ~~No supplier, directly or through an officer, agent, or employee, may terminate, cancel, fail to renew, or substantially change the competitive circumstances of an agreement without good cause. Notwithstanding any agreement to the contrary, a supplier who terminates or otherwise fails to renew or substantially changes the competitive circumstances of an agreement with a dealer without good cause shall notify the dealer of the termination not less than 90 days prior to the effective date of the termination and shall provide a 60-day right-to-cure the deficiency. If the deficiency is cured within the allotted time, the notice is void. In the case where cancellation is enacted due to market penetration, a reasonable period of time shall have existed where the supplier has worked with the dealer to gain the desired market share. If there is any reason constituting good cause for action, the notice shall state that reason.~~

(a1) Notwithstanding any agreement to the contrary, a supplier who terminates or otherwise fails to renew or substantially changes the competitive circumstances of an agreement with a dealer for good cause is not required to notify the dealer of the termination or to provide a right-to-cure the deficiency.

(b) Notwithstanding any agreement to the contrary, a dealer who terminates an agreement with a supplier shall notify the supplier of the termination not less than 90 days prior to the effective date of the termination.

~~(b1) A supplier shall provide a dealer with at least 90 days' written notice of termination of the agreement and a 60-day right to cure the deficiency. If the deficiency is cured within the allotted time, the notice is void. In the case where cancellation of an agreement is based upon the dealer's failure to capture the share of the market required in the agreement, a minimum 12-month period of time shall have existed where the~~

1 ~~supplier has worked with the dealer to gain the desired market share. The notice shall~~
2 ~~state all reasons constituting good cause.~~

3 (c) Notification under this section shall be in writing and shall be by certified
4 mail or personally delivered to the recipient. It shall contain all of the following:

5 (1) A statement of intention to terminate the dealership.

6 (2) A statement of the reasons for the termination.

7 (3) The date on which the termination takes effect."

8 **SECTION 2.** This act becomes effective October 1, 2003.