

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE BILL 1089

Short Title: Farm Machinery Law/Notice of Termination.

(Public)

Sponsors: Representatives Lewis; McHenry and Moore.

Referred to: Agriculture.

April 10, 2003

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE LAW GOVERNING NOTICE OF TERMINATION OF
3 FARM MACHINERY AGREEMENTS.

4 The General Assembly of North Carolina enacts:

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

6 "**§ 66-182. Notice of termination of agreements.**

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

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

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

25 (b1) ~~A supplier shall provide a dealer with at least 90 days' written notice of~~
26 ~~termination of the agreement and a 60-day right to cure the deficiency. If the deficiency~~
27 ~~is cured within the allotted time, the notice is void. In the case where cancellation of an~~
28 ~~agreement is based upon the dealer's failure to capture the share of the market required~~
29 ~~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.