

The Agricultural Equipment Dealerships Act

being

Chapter A-9.1 of the *Statutes of Saskatchewan, 1999*
(effective December 13, 1999).

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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CHAPTER A-9.1

An Act respecting Agricultural Equipment Dealerships

Short title

- 1 This Act may be cited as *The Agricultural Equipment Dealerships Act*.

Interpretation

- 2 In this Act:

- (a) **“court”** means the Court of Queen’s Bench;
- (b) **“dealer”** means a person who sells or offers for sale agricultural equipment, including mainline agricultural equipment;
- (c) **“dealership agreement”** means an agreement between a mainline manufacturer and a dealer that fixes the legal rights and obligations of the parties to the agreement;
- (d) **“mainline agricultural equipment”** means the following types of agricultural equipment:
 - (i) new tractors with an engine capacity of 100 horsepower or more;
 - (ii) new combines;
- (e) **“mainline manufacturer”** means a manufacturer or distributor of both types of mainline agricultural equipment;
- (f) **“person”** includes a partnership, association or other organization;
- (g) **“shortline manufacturer”** means a manufacturer or distributor of agricultural equipment who may manufacture or distribute one type of mainline agricultural equipment but not both;
- (h) **“terminate”**, with respect to a dealership agreement, means to terminate, cancel, fail to renew or extend, or substantially change the competitive circumstances of the dealership agreement.

1999, c.A-9.1, s.2.

Application of Act

- 3 This Act applies to all dealership agreements:
- (a) in effect as at December 13, 1999; or
 - (b) entered into on or after December 13, 1999.

1999, c.A-9.1, s.3.

c. A-9.1**AGRICULTURAL EQUIPMENT DEALERSHIPS****Prohibitions on mainline manufacturers**

4(1) Subsections (2) to (5) apply notwithstanding any provision to the contrary in any dealership agreement.

(2) No mainline manufacturer shall directly or indirectly terminate a dealership agreement:

(a) without cause; and

(b) without an order of the court, and without complying with any terms imposed by the court, pursuant to subsection 5(2).

(3) No mainline manufacturer shall directly or indirectly discriminate in the prices charged for agricultural equipment of like grade and quality sold by the mainline manufacturer to similarly situated dealers.

(4) No mainline manufacturer shall directly or indirectly impose substantially different contractual requirements on similarly situated dealers.

(5) No mainline manufacturer shall directly or indirectly otherwise discriminate against or penalize a dealer for carrying on business with any shortline manufacturer in the dealer's facility or in a separate facility.

1999, c.A-9.1, s.4.

Application to court to terminate

5(1) A mainline manufacturer who wishes to terminate a dealership agreement shall apply to the court for a determination as to whether or not the manufacturer has cause to terminate the dealership agreement.

(2) Where, on an application pursuant to subsection (1), the court determines that the mainline manufacturer has cause to terminate the dealership agreement, the court:

(a) shall issue an order to that effect; and

(b) may impose any terms on the termination that the court considers appropriate in the circumstances, including allowing the dealer the opportunity to remedy any default within any period the court may specify.

1999, c.A-9.1, s.5.

Termination for cause

6 For the purposes of making a determination pursuant to section 5, any of the following circumstances constitutes cause to terminate a dealership agreement:

(a) the dealer has made an assignment in bankruptcy or has been petitioned into bankruptcy, and has not been discharged from bankruptcy;

(b) the dealer's agricultural equipment business is being dissolved or liquidated, or a substantial portion of the dealer's agricultural equipment business is being liquidated and the liquidation materially affects the contractual relationship between the dealer and the mainline manufacturer;

- (c) the dealer has defaulted under any security agreement between the dealer and the mainline manufacturer, or there has been a revocation or discontinuance of a guarantee of the dealer's financial obligations to the mainline manufacturer;
- (d) the dealer has failed to operate in the normal course of business for 14 consecutive days or has otherwise abandoned the business;
- (e) the dealer has pleaded guilty to or has been convicted of an offence affecting the contractual relationship between the dealer and the mainline manufacturer;
- (f) the dealer has failed to substantially comply with the essential and reasonable requirements imposed on the dealer by the dealership agreement, where the requirements are not different from the requirements imposed on other similarly situated dealers;
- (g) any other circumstances prescribed in the regulations.

1999, c.A-9.1, s.6.

No cause for termination

7(1) For the purposes of making a determination pursuant to section 5, none of the following circumstances constitutes cause to terminate a dealership agreement:

- (a) the change of executive management or ownership of the dealership, unless the mainline manufacturer can show that the change is detrimental to the representation or reputation of the mainline manufacturer's product;
- (b) the refusal by the dealer to purchase or accept delivery of any agricultural equipment or services from a mainline manufacturer not ordered by the dealer unless the agricultural equipment or services are necessary for the operation of agricultural equipment commonly sold by the dealer;
- (c) the mainline manufacturer's desire for further market penetration, while recognizing that the mainline manufacturer has the right to require the dealer to achieve, in comparison with similarly situated dealers, a reasonable sales performance level of the mainline manufacturer's product;
- (d) the fact that the dealer carries on business with any shortline manufacturer in the dealer's facility or in a separate facility;
- (e) any other circumstances prescribed in the regulations.

(2) The list in subsection (1) is not exhaustive.

1999, c.A-9.1, s.7.

Certain provisions void

8 The following provisions in any dealership agreement are void:

- (a) any provision allowing termination of the agreement without cause;
- (b) any provision requiring a dealer to carry on exclusive dealings with a mainline manufacturer, so as to prevent the dealer from, or penalize the dealer for, carrying on business with any shortline manufacturer in the dealer's facility or in a separate facility;

c. A-9.1**AGRICULTURAL EQUIPMENT DEALERSHIPS**

- (c) any provision that limits, modifies or abrogates or in effect limits, modifies or abrogates any benefit or remedy pursuant to this Act.

1999, c.A-9.1, s.8.

Remedies

9(1) Any dealer who considers that the dealer's dealership agreement with a mainline manufacturer has been terminated in contravention of this Act may apply to the court for relief.

(2) On an application pursuant to subsection (1), the court may make any order that the court considers appropriate in the circumstances, including:

- (a) an order awarding damages to the dealer for any loss resulting from the mainline manufacturer's contravention of this Act;
- (b) an order enjoining the mainline manufacturer from doing or continuing any act that contravenes this Act; and
- (c) an order directing the mainline manufacturer to reinstate a dealership agreement or restore any rights under a dealership agreement that have been terminated.

(3) This section applies notwithstanding any penalty that may be imposed on the mainline manufacturer pursuant to this Act with respect to the manufacturer's contravention of this Act.

1999, c.A-9.1, s.9.

Offences

10(1) Every mainline manufacturer that contravenes a provision of this Act is guilty of an offence and is liable on summary conviction to a fine of not more than \$50,000, and, in the case of a continuing offence, to a further fine of not more than \$10,000 for each day or part of a day during which the offence continues.

(2) In addition to any penalty imposed with respect to a contravention mentioned in subsection (1), the convicting court may order the mainline manufacturer that is convicted of the offence to comply with any terms that it has contravened.

1999, c.A-9.1, s.10.

Limitation on actions

11(1) In this section, "**cause of action**" means any claim, cause of action, suit, debt, account, demand, claim for damage, loss, cost, expense or interest, of any nature, whether arising in or imposed by law, equity, statute or otherwise and includes any judgment or order of a court.

(2) No action or proceeding lies or shall be instituted against the Government of Saskatchewan, any member of the Executive Council, or any officer or employee of the Government of Saskatchewan based on any cause of action arising from, resulting from, or incidental to the enactment or application of this Act or the regulations.

(3) No action or proceeding lies or shall be instituted against a dealer based on any cause of action arising from, resulting from, or incidental to the enactment or application of this Act or the regulations, except an application contemplated by section 5.

(4) Every cause of action against the Government of Saskatchewan or any other person mentioned in subsection (2) or (3) arising from, resulting from, or incidental to the enactment or application of this Act or the regulations is extinguished.

1999, c.A-9.1, s.11.

Conflicts

12 The provisions of this Act and the regulations prevail where there is any conflict between any provision of this Act or the regulations and any other Act, regulation or law.

1999, c.A-9.1, s.12.

Termination by mutual agreement

13 Subject to section 8, nothing in this Act precludes a mainline manufacturer and a dealer from terminating a dealership agreement by mutual agreement.

1999, c.A-9.1, s.13.

Regulations

14(1) The Lieutenant Governor in Council may make regulations:

- (a) defining, enlarging or restricting the meaning of any word or expression used in this Act but not defined in this Act;
 - (b) for the purposes of section 6, prescribing additional circumstances that constitute cause;
 - (c) for the purposes of section 7, prescribing additional circumstances that do not constitute cause;
 - (d) respecting any other matter or thing that the Lieutenant Governor in Council considers necessary to carry out the intent of this Act.
- (2) Notwithstanding any other Act or law, any regulations made pursuant to this Act may be made retroactive to a day not earlier than December 13, 1999.

1999, c.A-9.1, s.14.

Coming into force

15 This Act comes into force on assent but is retroactive and is deemed to have been in force on and from December 13, 1999.

1999, c.A-9.1, s.15.

