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# PAUL TITTL

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STATE REPRESENTATIVE • 25<sup>TH</sup> ASSEMBLY DISTRICT

## Assembly Committee on Consumer Protection

Assembly Bill 631

January 16th, 2020

First of all, I would like to thank you, Chairman Pronschinske and committee members, for allowing me to testify before you concerning Assembly Bill 631 relating to the repair and replacement of implements of husbandry under warranty.

This bill allows defective implements of husbandry to be repaired and replaced when these implements can no longer do the job they were purchased to do.

If a buyer's farm equipment under warranty remains defective, the authorized dealer or manufacturer must repair it. If the deflection has been subject to repair at least four times, and the deflection persists or if the equipment is out of service for a period of thirty days while under warranty, the consumer is entitled to a replacement or a full refund.

Wisconsin has already had a lemon law in place that covers cars, trucks, and SUV's since 1984. This bill is modeled after our current automotive lemon law.

Ten other states already have lemon laws similar to this bill, including our neighbors Illinois and Minnesota. Arkansas, South Dakota, and Virginia enacted their agricultural lemon laws just last year.

The amendment replaces the word *vehicle* with *implement of husbandry*, clarifies the definition of *unsuccessful repair*, and protects dealers from the sale of certain already owned implements repaired by the manufacturer.

We live in a time when Wisconsin farmers are facing mounting pressure to turn a profit. Many fear they might soon lose their farm.

This bill will provide much needed relief for farmers who would otherwise incur excessive repair costs for malfunctioning farm implements.

Good bills do not come from a group of elected officials in Madison, but from people outside of this building with lived experiences. You will later hear from my friend Tom, who will share his story dealing with his defective farm implements.

I appreciate your consideration of this bill. Thank you for this opportunity to testify before you today. I'd be happy to take any questions you may have.

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# Midwest-SouthEastern EQUIPMENT DEALERS ASSOCIATION

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**To:** Assembly Committee on Consumer Protection  
**From:** Gary Manke, President & CEO, Midwest-SouthEastern Equipment Dealers Association  
**Date:** January 16, 2020  
**RE:** Assembly Bill 631 – Implements of Husbandry and the Lemon Law

Members of the Midwest-SouthEast Equipment Dealers Association (MSEDA) are opposed to AB 631, which adds implements of husbandry (IOH) to Wisconsin's Lemon Law. We believe the bill is unnecessary, will create confusion, and will lead to an adversarial relationship between dealers and customers.

MSEDA represents over 550 equipment dealers and supporting industries throughout the Midwest and Southeast, of which 150 operate in Wisconsin. Our dealers are mostly small, family owned companies that cater to the agricultural and construction industries.

Our members are in the business to take care of business. Foremost in that process is to gain or maintain a customer for life. There is no room to run from warranty considerations or other issues if they take care of that foremost goal.

AB 631 is unnecessary and will create confusion and controversy in dealership/customer relations for a number of reasons including:

- A customer satisfaction system is already in place - Dealerships are evaluated every year by their equipment manufacturers regarding completions of warranty and manufacturer-initiated product improvements. Dealers & manufacturers do not allow for procrastination in completion of warranty problems due to safety concerns and product performance.
- Customer communication/survey - As part of the after-sale experience our members are in contact with every customer that purchases a machine to check on their satisfaction and their understanding of the warranty coverage and the operation of the machine. In addition, equipment manufacturers send surveys to all customers who purchase new equipment to ensure they understand warranty specifications.
- Implements of Husbandry do not fit the lemon law - The legislation implies that implements of husbandry are similar to motor vehicles. They are not. Vehicles are operated with great frequency while most implements of husbandry are seasonal.

- Definition of down time is problematic - Determining that there is a malfunction late in one season may take until the next operational season to explore in depth and diagnose and then repair. Who determines the down time?
- Creates confusion – Some customers may game the system. Used equipment (warranty implied or not) will be deemed by the public to be covered and threats will occur. Lease return units may or may not have warranty, but customers will think the lemon law applies.
- Unfair to dealers who service customers – This legislation penalizes dealers who service the equipment they sell. It is a disincentive for those dealers after they've invested in parts inventories, personnel training, specialty tools and transportation equipment to repair machines correctly.

Wisconsin dealers who are in the implement of husbandry industry not run from warranty. They make timely repairs and enlist manufacturer resources when necessary. AB 631 will create confusion and an adversarial relationship between dealerships and customers. For the above reasons we respectfully urge you to oppose AB 631.

Thank you for your attention to this matter.

- Hello. My name is Tom Freis. Our family farms in Newton, WI, in Manitowoc County in the Town of Centerville.
  - By way of introduction: My Great Grandfather, Adam Freis immigrated from Germany in 1854 and purchased a neighboring farm in 1860. On March 25<sup>th</sup> of this year our farm will have been in the Freis name for 118 years. My son Adam and I operate multiple farms with a couple hundred head of Red Angus beef which is a cow/calf and backgrounding operation. Our crops are all forage based. In addition to our farms we have been operating a large fertilizer business for 13 years with trucks delivering throughout the state weekly. Twenty seven years ago, we began importing farm equipment from Germany, Ireland, the Netherlands and Canada. We are a farmstead dealership specializing in baleage equipment including balers, balewrappers, bale processors and bale movers. All three of our businesses operate under the name Meadowlawn Acres LLC.
  - In addition, my father, Wally Freis, was one of the founding fathers of the first Dairy Cooperative in the U.S. which was Lake to Lake Dairy located in Kiel, WI. He also served on the original board of directors for the Wis. Feeder Pig Marketing Cooperative out of Francis Creek, WI which was also the first in the U.S.
  - My son Adam and I have both served on the Manitowoc County Farm Bureau Board for several years each.
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- Approximately one year ago I contacted my local Representative, Paul Tittl with the goal of creating a Lemon Law Bill for Implements of Husbandry. The original WI Lemon Law provides coverage for consumers purchasing NEW vehicles and has been very successful. That law is the 1983 Wisconsin Act 48. There was an update to the original law and that bill was the 2013 Wisconsin Act 101.
  - The current law obviously provides coverage for consumers purchasing a vehicle in the State of Wisconsin. It has worked well, with little, if any, problems.
  - Wisconsin's current law omits coverage for Implements of Husbandry which would include motorized and non-motorized farm equipment.
  - Between 2009 and 2014 we purchased 3 new tractors for our farms. All three were the same make, model and size. We have been more than satisfied with two of them. The third one, unfortunately, was a nightmare. Over the course of 5 years we have spent approximately 40 thousand dollars on repairs. When purchased new, the tractor cost approximately 48,500 dollars. As you would expect, our headache did not end with the financial expenses incurred. Without the use of that tractor, our ability to harvest was extremely affected, resulting in delayed harvesting and in a few cases failure to harvest crops due to timing constraints.
  - Warranties provided by the Manufacturer were limited, and unfortunately warranty claims are always decided by the Manufacturer, not the Purchaser. We repeatedly found ourselves between a rock and a hard place, with no solution, nor recourse for our mechanical problems and financial expense.

- Modern equipment is Hi-Tech. That includes Electronics, Computers, Circuit Boards, Programmable Controllers, Solenoids, Relays, Sensors, Electric over hydraulic systems, Advanced Drive Train and Brake systems. Etc. Due to EPA exhaust emissions requirements, few tractors run on diesel fuel alone. Most require diesel fuel and DEF Fluid which means the need for an additional Diesel Exhaust System. All of these systems are fine..... when they work.
- The Bill proposed will apply to NEW equipment purchases. Not USED equipment.
- Responsibility under the Bill will pertain to the Equipment Manufacturer.....not the Equipment Dealers.
- Passage of the Lemon Law for Implements of Husbandry will actually HELP Wisconsin Dealers. Failure to pass this Bill will actually hurt them.
- One example would be our own situation. Within a year we expect to be purchasing another new tractor. Without the passage of this Bill, common sense dictates that we make that purchase in a neighboring State that has the Lemon Law for Implements of Husbandry. The reality is that we can purchase any tractor for the same price just about anywhere. Given that, why would we make that purchase and NOT have the coverage? As farmers become aware of this, why would anyone buy in Wisconsin?
- Minnesota was the first state in the United States to pass a Lemon Law for Implements of Husbandry. They did so in 1986! Which was 34 years ago!
- At least ten states have Lemon Laws pertaining to farm equipment. They include: Arkansas, Georgia, Illinois, Minnesota, New Jersey, North Dakota, South Dakota, Virginia, Missouri and New York.
- Three of these states passed legislation last year (in 2019) on the topic: They were: Arkansas (2019 Act 588), Virginia (2019 Chapter 752), and South Dakota (2019 HB 1103).
- I should recognize the help I have received from Rep. Tittl, his Staff and The Legislative Reference Bureau. They have been invaluable in assisting my research efforts regarding this bill. I could not have done it without them. The bill before you has been carefully drafted taking into account the 8 bills already passed.
- I have sought and received the support from the Wisconsin Farm Bureau Federation for this Lemon Law Bill. At their annual meeting last month, the Wis. Farm Bureau adopted a resolution to support its passage.
- For the past 5 years Agriculture in Wisconsin has suffered financially like nothing we've seen since The Great Depression. Over those 5 years I have read countless articles written on the subject. So many people have been looking for ways that our government can help. There have been meetings, workshops and symposiums held all over the state searching for ideas.
- I believe the passage of this Bill will have a real, lasting and positive effect for decades to come. Please give our farmers the help that they DESERVE. Please give our Future Farmers the help that they NEED. Please, PASS this Lemon Law Bill for Implements of Husbandry.
- Thank you.