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## *Testimony before the Senate Committee on Agriculture and Tourism*

Senator André Jacque

January 30, 2024

Madam Chair and Members,

Thank you for holding this hearing on Senate Bill 42 and Assembly Bill 14, which I have authored with Rep. Tittl to create a lemon law for the repair and replacement of faulty farm equipment.

As you are likely familiar, a lemon law provides a remedy when certain products, such as cars and trucks, are found to be repeatedly defective while under warranty. If a buyer's farm equipment under warranty remains defective, the authorized dealer or manufacturer must repair it.

If the defection has been subject to repair at least four times, and the defection 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.

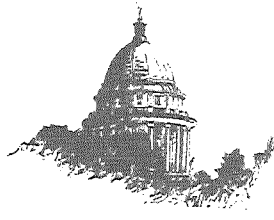
Farmers in Wisconsin sometimes spend a disproportionately high amount of money trying to repair faulty farm equipment. Even when the faulty equipment is under warranty, many farmers run into major problems as the equipment will continue to breakdown even after they get it back from the repair shop or manufacturer. Because of the technological advancements of farm equipment in recent years, farmers are more reliant on manufacturers for repair and service.

Wisconsin has had a lemon law pertaining to cars, trucks, and SUV's since 1984. This bill is comparable to our current auto lemon law, but focuses instead on farmers and their farm equipment, recognizing the significant nature of their investment in implements of husbandry and the damage to their ability to sustain their operations when needed equipment is out of service.

States that have already established lemon laws relating to farm equipment include our neighbors in Minnesota and Illinois, as well as Arkansas, Delaware, Georgia, Missouri, New York, North Dakota, South Dakota, Virginia and most recently in 2021, Tennessee.

Since its Assembly hearing, this legislation has picked up bi-partisan cosponsors, passed its Assembly committee unanimously and passed the full Assembly on a voice vote. I am pleased to note that this legislation is formally supported by the Wisconsin Farm Bureau, Wisconsin Cooperative Network, and Wisconsin Property Taxpayers and that concerns from the DOT and other groups were addressed by a technical amendment in the Assembly.

Thank you for your consideration of Senate Bill 42 and Assembly Bill 14. I'd be happy to answer any questions.



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# PAUL TITTL

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

Senate Committee on Agriculture and Tourism  
Assembly Bill 14 and Senate Bill 42  
January 30, 2024

First of all, thank you Chair Ballweg and members of the committee for hearing Assembly Bill 14 and Senate Bill 42 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.

Since 1984 Wisconsin has already had a lemon law in place that covers cars, trucks, and SUV's. This bill is modeled after legislation. Ten other states already have agricultural equipment lemon laws, including our neighbors Illinois and Minnesota. Tennessee is the most recent to have done so in 2021.

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

We live in a time when Wisconsin farmers are facing mounting pressure to turn a profit. Many fear they might soon lose their farm. They should not have to be saddled with new equipment that doesn't work.

Thank you for your consideration of this bill. The Assembly passed AB 14 on a voice vote, and I urge you to support passage in the Senate as well.

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January 30, 2024

Senator Joan Ballweg  
Chair  
Committee on Agriculture and Tourism  
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Senator Cory Tomczyk  
Vice-Chair  
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Room 310 South  
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**Re: AB 14 and SB 42 (Relating to: repair and replacement of implements of husbandry under warranty.)**

The Association of Equipment Manufacturers appreciates the opportunity to provide the following comments on AB 14 and SB 42 ahead of today's hearing in the Wisconsin Senate Committee on Agriculture and Tourism.

The Association of Equipment Manufacturers is the North American-based international trade group representing off-road equipment manufacturers and suppliers with 1,100 member companies and more than 200 product lines in the agriculture and construction-related industry sectors worldwide. Our industry supports over 180,000 jobs throughout the state of Wisconsin and contributes roughly \$21.8 billion to the state economy every year.

The Association of Equipment Manufacturers **opposes** AB 14 and SB 42 in their current form. The legislation contains provisions that would punish equipment manufactures for repair timelines that are completely outside of their control. Further, there are unnecessary provisions to equipment manufacturers, who already have equipment warranties for nonconformities.

We therefore respectfully urge you to **oppose** this legislation in its current form.

The legislation currently defines an *"Unsuccessful attempt to repair"* as *"a repair attempt that does not correct the nonconformity for which the repair work is conducted and for which active repair work on the nonconformity stops and does not begin again within 24 hours of the previous repair work."* The Association of Equipment Manufacturers **strongly opposes** the 24-hours requirement to continue work or be declared an unsuccessful repair attempt, as it is an arbitrary time frame and does not necessarily determine whether an attempted repair successfully fixes a nonconformity. Nonconformities could range from simple to complex with varying lengths of time to repair. Requiring repair work to restart within 24 hours does not reflect the realities of day-to-day businesses and factors out of the manufacturer's control, like the supply chain, weather conditions, holidays, delivery services for parts or other part-procurement delays.

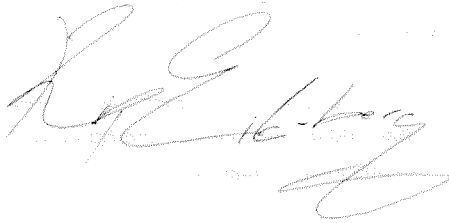
AB 14 and SB 42 also contain a provision that requires manufacturers and dealers to disclose to customers if an implement of husbandry was nonconforming and returned to the manufacturer in instances where the equipment is re-sold or re-leased. This disclosure of nonconformity is unnecessary, as the equipment would be once again subject to warranty and statutory protections already in this bill if placed on the re-sale market.

Finally, without a delayed effective date of the legislation, equipment manufacturers in Wisconsin may not have sufficient time to implement any necessary processes or changes should the bill become law. To the extent that this legislation attempts to alter the terms of equipment warranties in effect as of the date of enactment, the bill would be in violation, and impairment, of constitutional protections afforded to parties to existing warranty contracts, under the U.S. Constitution Article I, Section 10: "No state shall...pass any...Law impairing the Obligations of Contracts," as well as the provision in the Wisconsin Constitution, Article 1, section 12.

In conclusion AB 14 and SB 42 contain provisions that are an unfair and unnecessarily burdensome to equipment manufacturers, and in violation of the US and Wisconsin Constitutions. For these reasons AEM respectfully urges you to **oppose** this legislation.

We appreciate the opportunity to provide these comments and encourage you to contact us should you wish to discuss any part of this submission.

Sincerely,



Kip Eideberg  
Senior Vice President, Government & Industry Relations  
Association of Equipment Manufacturers

cc: Members of the Committee on Agriculture and Tourism







**TO:** Senate Committee on Agriculture & Tourism  
**FROM:** Evan Umpir, General Counsel & Director of Tax, Transportation, and Legal Affairs  
**DATE:** January 30, 2024  
**RE:** AB 14/SB 42 – Repair & Replacement of Implements of Husbandry Under Warranty

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WMC appreciates the opportunity to provide information on AB 14/SB 42 relating to creating a “lemon law” for implements of husbandry. WMC thanks the authors for their collaboration addressing issues fixed by Assembly Amendment (AA) 1 and AA1 to AA1 to AB 14.

WMC would like to provide information on two measures not addressed by the Assembly amendments. Manufacturers are not opposed to consumer protections but want to ensure that any law enacted is clear, workable, and fair to all consumers.

### **Defining An “Unsuccessful Attempt To Repair”**

As drafted, the bill defines an “unsuccessful attempt to repair” as “a repair attempt that does not correct the nonconformity for which the repair work is conducted and for which active repair work on the nonconformity stops and does not begin again within 24 hours of the previous repair work.”

This 24-hour “active repair work” requirement presents difficulties in practice, is not necessary to determine whether an attempted repair successfully fixes a nonconformity, and ultimately provides no substantive protection for the consumer.

Nonconformities could range from simple to complex with varying lengths of time to effectuate fixes. Requiring essentially continuous repair work until a nonconformity is successfully fixed is a government mandate dictating how a business should be run and is unreasonable to both the business and other customers. Requiring repair work restart within 24 hours does not reflect the realities of day-to-day business decision-making and factors outside a repairman’s control, for example:

- Supply chain or replacement part procurement delays;
- Weather/environmental conditions preventing a consumer from utilizing an implement of husbandry; and
- Weekends and holidays.

Additionally, other customers may be unfairly deprioritized as a repairman’s focus will be reoriented toward repairing a nonconformity without the ability to prioritize and attend to customers as the business sees fit and efficient.

This 24-hour work resumption regulation could also inadvertently lead to 1) repair work being

delayed in order not to utilize one of the two “unsuccessful attempt[s] to repair” before the equipment is considered “out of service” or 2) non-substantive repair work being performed simply to satisfy the 24-hour requirement, accruing no benefit to the consumer.

Lastly, this provision would require unnecessary recordkeeping taking time away from servicing other customers.

This 24-hour active work requirement has no parallel in the new motor vehicle repair or replacement statute and is not necessary to determine whether an attempted fix is successful – the equipment will function as designed or it will not – nor is the successful repair dependent on work commencing 23 hours 59 minutes or 24 hours and 1 minute after previous work was performed.

### **Resale & Disclosure**

Newly created 218.60 (6) requires a manufacturer, lessor, or authorized dealer to disclose to a consumer when being re-sold or -leased if an implement of husbandry was nonconforming and returned to the manufacturer. Manufacturers may not have processes in place to track these products and establishing such processes will add compliance costs for businesses.

Additionally, this disclosure will affect the resale value of the implement of husbandry, harming manufacturers, lessors, and dealers. If an implement of husbandry that was returned due to nonconformity was perfected (or even if it were not) and placed in the resale market, it would be subject to warranty and lemon law protections in this bill, making this provision unnecessary.

Furthermore, it is not in a manufacturer’s or dealer’s own interest to waste time and money fixing the same nonconformity again – presumably to no avail – should the nonconforming equipment be re-sold or -leased. This waste of maintenance time and potentially requiring another full replacement is a deterrent preventing this type of scenario from occurring making this disclosure unnecessary.

**If this provision is not eliminated, adding a delayed effective date at the beginning of the next calendar year, but no sooner than six months after enactment, is suggested.**

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Thank you for your consideration. Please do not hesitate to contact me with any questions.