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Testimony before the Senate Committee on Transportation and Local Government

Senator André Jacque

Senate Bill 8

May 6, 2025

Thank you, Chairman Tomczyk and Members, for holding this hearing on Senate Bill 8, which would extend Wisconsin's protections for the repair and replacement of faulty equipment under an express warranty (commonly known as a "Lemon Law") to implements of husbandry.

As you know, 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.

Under this legislation, if the defect has been subject to repair at least four times, and the defect 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 and face significant difficulties when their very expensive equipment investments cannot be operated at critical times of the year.

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, and passed the Assembly Committee on Consumer Protection unanimously and the full Assembly on a voice vote last session.

States that already have lemon laws relating to farm equipment include Arkansas, Delaware, Georgia, Illinois, Minnesota, Missouri, New York, North Dakota, South Dakota, and Virginia.

Thank you for your consideration of Senate Bill 8. I'd be happy to answer any questions.



PAUL TITTL

STATE REPRESENTATIVE • 25TH ASSEMBLY DISTRICT

Testimony before the Senate Committee on Transportation and Local Government

Senate Bill 8

May 6th, 2025

Thank you Chairman Tomczyk and members of the committee for hearing Senate Bill 8 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 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.

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 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 hearing this bill today. I hope you will support it going forward.



TO: Senate Committee on Transportation & Local Government
FROM: Evan Umpir, General Counsel & Director of Tax, Transportation, and Legal Affairs
DATE: May 6, 2025
RE: SB 8 – Repair & Replacement of Implements of Husbandry Under Warranty

WMC appreciates the opportunity to submit testimony on Senate Bill (SB) 8, relating to: repair and replacement of implements of husbandry under warranty.

WMC is the largest general business association in Wisconsin, representing approximately 3,800 member companies of all sizes, and from every sector of the economy. Since 1911, our mission has been to make Wisconsin *the most competitive state in the nation to do business*.

Last session, WMC worked with the authors to address concerns to SB 8's predecessor legislation, 2023 Assembly Bill 14 (2023 SB 42). Many of the concerns, including amending out the creation of a new private action against businesses, were addressed, but some provisions causing concern to the business community remain in the bill this session (which incorporates amendments from last session). WMC thanks the authors for their cooperation on many issues last session.

Below please find additional information relating to certain issues that remain problematic to the business community. Ultimately, manufacturers impacted by this legislation want to ensure that any law if enacted is clear, workable, and fair to all consumers and manufacturers.

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 repair center's or even manufacturer's control, for example:

- Supply chain or replacement part procurement delays;
- Weather/environmental conditions preventing a consumer from utilizing an implement of husbandry;
- Weekends and holidays; and
- Time of year or season when the nonconformity surfaces (e.g. if the equipment will not be used again for months, an immediate fix may not be necessary).

Additionally, it is unclear whether time spent on diagnostic work to determine the cause of a nonconformity is considered “active repair work,” and further, who determines what constitutes “active repair work.”

Other customers may be unfairly deprioritized as a repair center’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 “active repair work” provision would also require unnecessary recordkeeping taking time away from servicing other customers.

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.

It is important to note that this arbitrary 24-hour, make-work requirement would apply *even out-of-season* when the equipment would *not* be needed for any sort of agricultural purpose.

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.

Recommend making the following change to the bill:

“Unsuccessful attempt to repair” means 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.~~

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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 a 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 additional maintenance time, and specter of yet another complete replacement of the equipment, is a deterrent preventing this type of scenario from occurring making this disclosure upon re-sale or -lease unnecessary.

As this provision is unnecessary, it should be eliminated.

Senate Amendment 1

The language of sub. (4) as introduced was the product of collaboration last session; I thank the authors for making requested changes. This session, sub. (4), as amended by Senate Amendment 1, could use an additional clarification that the consumer should provide *written* notice (as drafted, only “notice” be given).

Miscellaneous Comments

Manufacturers' Replacement & Refund Obligations

Page 4 line 17 – page 5 line 2: Under subs. (3) (b) & (c), when a consumer chooses to return the implement of husbandry for a refund, the “full purchase price . . . less a reasonable allowance for use” is refunded. Under sub. (3)(a), this language was omitted when the consumer chooses to replace the equipment with comparable new equipment. **“Less a reasonable allowance for use” should be added here to avoid disparate enrichment in the swap.**

Additionally in sub. (3) (page 4 lines 13-14), when aggregating out of service time, as drafted, it **is unclear whether this language does or does not penalize manufacturers for out-of-service time due to factors outside the manufacturer's control** (e.g. supply chain disruptions preventing procurement of a replacement part).

The bill also neglects to take into account, for purposes of determining whether equipment is “out of service,” mitigating actions such as provision and use, or offer, of alternative equipment that

performs the same function as the equipment with a nonconformity. **In such circumstances, normal warranty guarantees by manufacturers could govern repair of the nonconformity without the heavy hand of government intervention distorting private party contract law and principles.**

Customer Good Will & Compliance

Manufacturers take pride in their reputation and brand's good will; as such, warranties are offered to make right nonconformities in the event they arise with their equipment – this is the private sector and free market's natural way of managing these types of issues. With government intervention comes additional costs of compliance, as noted above. Aggravating the situation, not all states have lemon laws for implements of husbandry, but **variations among the handful of states that do further compound compliance costs and efforts. Wisconsin should leave the private sector intact to address these issues on the seldom occasion they arise.**

Applicability

We suggest adding a date certain for which the law applies to sales of new equipment: “This chapter shall apply to implements of husbandry sold after, e.g. January 1, [year following enactment].”

* * *

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




Association of
Equipment Manufacturers

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To: Members of the Senate Committee on Transportation and Local Government

From: Association of Equipment Manufacturers

Date: May 6, 2025

Re: SB 8 (Relating to: repair and replacement of implements of husbandry under warranty)

The Association of Equipment Manufacturers appreciates the opportunity to provide written testimony on SB 8 for your consideration.

The Association of Equipment Manufacturers is the North American-based international trade group representing off-road equipment manufacturers and suppliers with over 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** SB 8 in its current form. The legislation contains provisions that would punish equipment manufacturers for repair timelines that are completely outside of the equipment manufacturer's control. Further, there are unnecessary provisions included in SB 8 which are already covered by equipment manufacturers, who have equipment warranties for nonconformities.

We therefore urge you to **oppose** this legislation.

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.

SB 8 also contains 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 be 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, SB 8 contains provisions that are unfair and unnecessarily burdensome to equipment manufacturers and is 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,



Nicholas Rudowich
Director, State Affairs
Association of Equipment Manufacturers (AEM)

Thomas S. Freis
Meadowlawn Acres LLC
13201 South Union Road
Newton, WI 53063

May 6, 2025

Chairman Cory Tomczyk

Wisconsin State Senator, District 29
Committee on Transportation and Local Government
Room 310 South
State Capitol
PO Box 7882
Madison, WI 53707

Dear Chairman Tomczyk,

My name is Tom Freis. Our family farm is in Newton, Wisconsin, in Manitowoc County in the Town of Centerville. I am writing to share my story and explain why I proposed the Lemon Law Bill for Implements of Husbandry.

By way of introduction, my great grandfather, Adam Freis, immigrated from Germany in 1854 and purchased a neighboring farm in 1860. On March 25th of this year our current farm has been in the Freis name for 123 years. My father before me, Wally Freis, was one of the founding fathers of the first Dairy Cooperative in the United States: Lake to Lake Dairy in Kiel, WI. Wally also served on the original board of directors for the Wisconsin Feeder Pig Marketing Cooperative out of Francis Creek, WI (also the first co-op of its kind in the U.S.). My son, Adam, and I operate multiple farms now with a couple hundred head of red angus beef. Our crops are all forage based. In addition to our farms, we have been operating a large fertilizer business for 18 years with trucks delivering throughout the state weekly. Over 30 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, bale wrappers, bale processors, and bale movers. All three of our businesses operate under the name Meadowlawn Acres LLC. My son, Adam, and I have both served on the Manitowoc County Farm Bureau Board for several years each. My life, and my heritage, has been fully dedicated to the agricultural industry.

Approximately four years ago I contacted my local Representative, Paul Tittl, with the goal of creating a Lemon Law Bill for Implements of Husbandry. The original Wisconsin 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. However, Wisconsin's current law omits coverage for Implements of Husbandry which would include motorized and non-motorized farm equipment.

I have personally experienced the troubles of owning a "lemon": a product with a significant defect or problem that impairs its safety, value, or use, and that cannot be repaired after a reasonable number of attempts by the manufacturer or dealer. Between 2009 and 2014 we purchased three 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 spent approximately \$40,000 on repairs, which included continued failure of the break system. When purchased new, the tractor cost approximately \$48,500. As you would expect, our headache did not end with the immediate financial expenses incurred or safety risks. 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 or the dealer. Our manufacturer only approved covering expenses of the first break repair and refused to cover the second and third repair attempts – **specifically citing the fact that there is no lemon law for tractors in Wisconsin so we had no recourse against their decision.** In other words, the warranty only covers the cost of attempting to fix the issue but does not guarantee the fix is successful during their first attempt (aka it does not resolve the issue of a true "lemon"). This hurt the reputation of the dealer as well since the manufacturer did not share information about the apparently known issue with their product's break system and the appropriate fix, so the attempts by the dealer to fix the issue were in vain. We repeatedly found ourselves between a rock and a hard place with no solution, nor recourse, for our safety concerns, mechanical problems, and financial expense.

This lemon issue becomes especially pertinent in today's world. Modern equipment is high-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 in the tractor. All of these systems are fine... when they work. But an issue with these systems will either be exuberantly expensive or impossible to fix when they fail to work coming off the manufacturer's lot.

To address this issue and protect consumers and sellers alike, the proposed Lemon Law Bill will apply to *new* equipment purchases, not *used* equipment. Therefore, responsibility under the Bill will pertain to the equipment manufacturer, not the equipment dealers. This will close the loop hole that manufacturers are currently using, which hurts Wisconsin farmers and dealers.

Passage of the Lemon Law for Implements of Husbandry will actually help Wisconsin dealers. Failure to pass this Bill will hurt them. One example would be our own situation. We expect to purchase 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?

Virginia was the first state in the United States to pass a Lemon Law for Implements of Husbandry. They did so in 1984, which was 39 years ago! At least ten states have Lemon Laws specific to farm equipment. They include: Arkansas, Delaware, Georgia, Illinois, Minnesota, Missouri, New York, North Dakota, South Dakota, and Virginia. Three of these states passed legislation in 2019 on the topic. They were: Arkansas (2019 Act 588), Virginia (2019 Chapter 752, Section 59.1-207.8), and South Dakota (2019 HB 1103). At least two states include farm equipment under their general motor vehicle Lemon Laws. They are: Utah and New Jersey.

In noticing the dire need for a law like this, I began working with Wisconsin representatives. I want to recognize the help I have received from Representative 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 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 in December 2019, the Wisconsin Farm Bureau adopted a resolution to support its passage.

Wisconsin agriculture has had repeated periods of financial suffering in its modern history. During those times, countless articles have been written on the subject. So many people have looked for ways that our government can help. There have been meetings, workshops, and symposiums held all over the state searching for ideas. 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 will *need*. Please, pass this Lemon Law Bill for Implements of Husbandry.

Thank you.

Sincerely,

Tom S. Freis
Meadowlawn Acres LLC.