DISCLAIMER

The South Carolina Legislative Council is offering access to the unannotated South Carolina Code of Laws on the Internet as a service to the public. The unannotated South Carolina Code on the General Assembly's website is now current through the 2009 session. The unannotated South Carolina Code, consisting only of Code text and numbering, may be copied from this website at the reader's expense and effort without need for permission.

The Legislative Council is unable to assist users of this service with legal questions. Also, legislative staff cannot respond to requests for legal advice or the application of the law to specific facts. Therefore, to understand and protect your legal rights, you should consult your own private lawyer regarding all legal questions.

While every effort was made to ensure the accuracy and completeness of the unannotated South Carolina Code available on the South Carolina General Assembly's website, the unannotated South Carolina Code is not official, and the state agencies preparing this website and the General Assembly are not responsible for any errors or omissions which may occur in these files. Only the current published volumes of the South Carolina Code of Laws Annotated and any pertinent acts and joint resolutions contain the official version.

Please note that the Legislative Council is not able to respond to individual inquiries regarding research or the features, format, or use of this website. However, you may notify Legislative Printing, Information and Technology Systems at LPITS@scstatehouse.gov regarding any apparent errors or omissions in content of Code sections on this website, in which case LPITS will relay the information to appropriate staff members of the South Carolina Legislative Council for investigation.

CHAPTER 6.

 FAIR PRACTICES OF FARM, CONSTRUCTION, INDUSTRIAL, AND OUTDOOR POWER EQUIPMENT MANUFACTURERS, DISTRIBUTORS, WHOLESALERS, AND DEALERS

**SECTION 39‑6‑10.** Short title.

This chapter may be cited as the “Fair Practices of Farm, Construction, Industrial, and Outdoor Power Equipment Manufacturers, Distributors, Wholesalers, and Dealers Act”.

**SECTION 39‑6‑20.** Definitions.

As used in this chapter, unless the text requires otherwise:

(1) “Dealer” or “equipment dealer” means a person who sells or attempts to effect the sale of equipment, but not including a:

(a) distributor or wholesaler;

(b) receiver, trustee, administrator, executor, guardian, or other person appointed by or acting pursuant to the judgment or order of a court;

(c) public officer while performing his official duties;

(d) person disposing of equipment acquired for his own use and used in good faith, not for the purpose of avoiding the law;

(e) finance company or other financial institution that sells repossessed equipment;

(f) single line dealer primarily engaged in the retail sale and service of off‑road construction and earth‑moving equipment. For these purposes, “single line dealer” is any individual, partnership, corporation, limited liability company, or other legal entity that has:

(i) purchased seventy‑five percent or more of its total new product inventory from a single supplier under all agreements with that supplier; and

(ii) a total annual average sales volume in excess of forty‑five million dollars for the preceding two years with that single supplier for the territory for which the individual, partnership, corporation, limited liability company, or other legal entity is responsible; or

(g) a person or business who sells only component parts of equipment;

(h) multi‑line dealer primarily engaged in the retail sale and service of industry and outdoor power equipment. For these purposes, “multi‑line dealer” is any individual, partnership, corporation, limited liability company, or other legal entity that has:

(i) purchased less than fifty percent of its total new product inventory from a single supplier under all agreements with that supplier; and

(ii) a total annual average sales volume in excess of fifty million dollars.

(2) “Dealership” means the business of selling or attempting to effect the sale by a dealer of new equipment, or the right, whether by written or oral arrangement with a manufacturer, distributor, or wholesaler for a definite or indefinite period of time, to sell or attempt to effect the sale of new equipment.

(3) “Dealership agreement” means an oral or written arrangement for a definite or indefinite period in which a manufacturer, distributor, or wholesaler grants to an equipment dealer a license to use a trade name, service mark, or related characteristic, and in which there is a community of interest in the marketing of equipment or services related to it at wholesale, retail, leasing, or otherwise.

(4) “Distributor” means a person who sells or distributes new equipment to equipment dealers or who maintains distributor representatives within the State.

(5) “Distributor branch” means a branch office maintained by a distributor that sells or distributes new equipment to equipment dealers.

(6) “Distributor representative” means a representative employed by a distributor branch or distributor.

(7) “Equipment” means machinery, implements, or mechanical devices or apparatuses used in farming, construction, or industry and any outdoor power equipment, but not including:

(a) motor vehicles required to be registered pursuant to Section 56‑3‑110;

(b) motorcycles as defined in Section 56‑16‑10;

(c) outdoor power equipment whose primary source of power is a two‑cycle or electric motor;

(d) “all terrain vehicles” or “ATVs” that are three‑and‑four‑wheeled motorized vehicles, generally characterized by large, low‑pressure tires, a seat designed to be straddled by the operator and handlebars for steering, which are intended for off‑road use by an individual rider on various types of nonpaved terrain;

(e) cranes; or

(f) pneumatic tires, tubes, and flaps and related products and components associated with tires, including tires used in farm, construction, industrial, outdoor power, mining, and other on‑and‑off road applications.

(8) “Factory branch” means a branch office maintained by a manufacturer that makes or assembles equipment for sale to distributors or equipment dealers or that is maintained for directing and supervising the representatives of the manufacturer.

(9) “Factory representative” means a representative employed by a manufacturer or by a factory branch for the purpose of selling or promoting the sale of equipment or for supervising, servicing, instructing, or contracting with equipment dealers or prospective equipment dealers.

(10) “Fraud” means, in addition to its customary definitions:

(a) a misrepresentation in any manner of a material fact, whether intentionally false or due to gross negligence;

(b) a promise or representation made dishonestly and in bad faith; and

(c) an intentional failure to disclose a material fact.

(11) “Manufacturer” means a person engaged in the business of manufacturing or assembling new and unused equipment.

(12) “New equipment” means equipment that has not been sold previously to a person other than a distributor or wholesaler or equipment dealer for resale.

(13) “Person” means a natural person, corporation, partnership, trust, or other entity, including any other entity in which it has a majority interest or of which it has control, as well as the individual officers, directors, and other persons in active control of the activities of each entity.

(14) “Sale” means the issuance, transfer, agreement for transfer, exchange, pledge, hypothecation, or mortgage, whether by transfer in trust or any other form, of any equipment or interest in it or of a dealership agreement or sales agreement related to it, and any option, subscription, or contract, or solicitation, looking to a sale, or offer or attempt to sell, whether spoken or written, or any other form. A gift or delivery of equipment or a dealership as a bonus on account of the sale of anything is a sale of the equipment or dealership.

(15) “Wholesaler” or “equipment wholesaler” means a person who sells or attempts to effect the sale of new equipment exclusively to equipment dealers or to other wholesalers.

**SECTION 39‑6‑30.** Persons subject to chapter; jurisdiction and service of process.

A person who engages directly or indirectly in purposeful contacts within this State in connection with the offering or advertising of equipment for sale or has business dealings with respect to equipment within this State is subject to the provisions of this chapter and to the jurisdiction of the courts of this State upon service of process in accordance with the provisions of Chapter 9, Title 15.

**SECTION 39‑6‑40.** Legislative basis for unfair competition.

Unfair methods of competition and unfair or deceptive acts or practices are unlawful as provided in Section 39‑6‑50, Chapters 5 and 7 of Title 39, and the Federal Trade Commission Act.

**SECTION 39‑6‑50.** What constitutes unfair competition and unfair or deceptive acts or practices.

(A) It is a violation of Section 39‑6‑40 for a manufacturer, factory branch, factory representative, distributor, or wholesaler, distributor branch, or distributor representative to engage in an action that is arbitrary, unconscionable, or in bad faith and that causes damage to any of the parties, the equipment dealer, or to the public.

(B) It is a violation of Section 39‑6‑40 for a manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesale branch or division, or officer, agent, or other representative of it, to coerce or attempt to coerce an equipment dealer to order or accept delivery of:

(1) equipment or parts or accessories or other commodity that the equipment dealer has not voluntarily ordered, except as required by applicable law or unless required by a supplier as safety parts or safety accessories;

(2) equipment with special features or accessories not included in the list price of the equipment as publicly advertised by the manufacturer of the equipment; or

(3) any parts, accessories, equipment, machinery, tools, or other commodity for a person.

(C) It is a violation of Section 39‑6‑40 for a manufacturer, a distributor, a wholesaler, a distributor branch or division, a factory branch or division, or a wholesale branch or division, or officer, agent, or other representative of it to:

(1) discriminate, directly or indirectly, in filling an order for the purchase or lease of new equipment placed by a dealer of its product line or model:

(a) as between dealers of the same product line or model; or

(b) as between dealers and persons that purchase or lease new equipment directly from the manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesale branch or division;

(2) coerce or attempt to coerce an equipment dealer to enter into an agreement with the manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesale branch or division, or officer, agent or other representative of it, or to do any other act prejudicial to the dealer by threatening to cancel a dealership agreement or contractual agreement existing between the manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesale branch or division, and the dealer, except that notice in good faith to an equipment dealer of the dealer’s violation of terms or provisions of the dealership agreement or contractual agreement is not a violation of Section 39‑6‑40;

(3) terminate or cancel the dealership agreement or selling agreement of dealer without due cause. “Due cause” means failure by the dealer to comply with reasonable requirements imposed on the dealer by a dealer agreement if the requirements do not differ materially from those imposed on other similarly situated dealers in this State. “Due cause” also means that the dealer consistently fails to:

(a) provide service and replacement parts or perform warranty obligations, or the dealer otherwise engages in business practices that are detrimental to the consumer or the manufacturer including excessive pricing or misleading advertising;

(b) provide adequate sales, service, or parts personnel commensurate with the dealer agreement;

(c) meet reasonable building and housekeeping requirements;

(d) comply with the applicable licensing laws pertaining to products and services the dealer represents as being on behalf of the manufacturer;

(e) meet the manufacturer’s market penetration requirements based on available record information after receiving notice from the manufacturer of the requirements as provided in Section 39‑6‑60(D).

(4) sell or offer to sell new equipment to an equipment dealer at a lower actual price than the actual price offered to another equipment dealer for the same new equipment, except that this provision does not apply to sales by a manufacturer, distributor, or wholesaler to the United States Government or an agency of it or prohibit a manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesaler branch or division from granting an equipment dealer a bonus based upon the volume of the dealer’s sales, provided that the volume bonus is offered the other dealers of the same product line or make of new equipment having the same sales volumes;

(5) sell or offer to sell parts or accessories to a new equipment dealer for use in his own business, for the purpose of repairing or replacing them on a comparable part or accessory, at a lower actual price than the actual price charged to another new equipment dealer for similar parts or accessories for use in his own business;

(6) prevent or attempt to prevent by contract or otherwise an equipment dealer from changing the capital structure of his dealership or the means by or through which he finances the operation of his dealership, provided that the dealer at all times meets reasonable capital standards agreed to between the dealer and the manufacturer, distributor, or wholesaler, and provided that the change by the dealer does not result in a change in the executive management of the dealership;

(7) prevent or attempt to prevent by contract or otherwise an equipment dealer or any officer, partner, or stockholder of an equipment dealer from selling or transferring any part of his interest to another person; except that a dealer, officer, partner, or stockholder may not sell, transfer, or assign the dealership agreement or power of management or control under it without the consent of the manufacturer, distributor, or wholesaler, but that consent may not be withheld unfairly or unreasonably;

(8) obtain money, goods, services, anything of value, or another benefit from a person with whom the equipment dealer does business, on account of or in relation to the transactions between the dealer and that other person, unless the benefit is accounted for and transmitted promptly to the equipment dealer;

(9) require an equipment dealer to assent to a release, assignment, novation, waiver, or estoppel that would relieve a person from liability imposed by Section 39‑6‑40.

**SECTION 39‑6‑60.** Dealer to be notified of cancellation or nonrenewal of dealership agreement; petition to modify notice period; grounds for immediate termination.

(A) Except as provided in subsection (E), a manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesale branch or division, or officer, agent, or other representative of it shall notify an equipment dealer in writing of the termination or cancellation of the dealership agreement or selling agreement of the dealer at least one hundred eighty days before its effective date, stating the specific grounds for the termination or cancellation.

(B) The manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesale branch or division, or officer, agent, or other representative of it shall notify an equipment dealer in writing at least one hundred eighty days before the contractual term of his dealership agreement or selling agreement expires that the agreement will not be renewed, stating the specific grounds for the nonrenewal in those cases where there is no intention to renew. The contractual term of a dealership agreement or selling agreement may not expire, without the written consent of the equipment dealer involved, before the expiration of at least one hundred eighty days following the written notice.

(C) During the one hundred eighty‑day period, either party may petition a court to modify the one hundred eighty‑day stay or to extend it pending a final determination of the proceedings on the merits. The court may grant preliminary and final injunctive relief pursuant to the Rules of Civil Procedure.

(D) Before termination or nonrenewal of the dealership agreement or selling agreement because of the dealer’s failure to meet reasonable marketing criteria or market penetration, the manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesale branch or division, shall provide written notice of the intention at least one year in advance. After the notice, the manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesale branch or division shall provide fair and reasonable efforts to work with the equipment dealer to gain the desired market share including, without limitation, reasonably making available to the dealer an adequate inventory of new equipment and parts and competitive marketing programs. The manufacturer, distributor, factory branch or division, or wholesale branch or division, at the end of the one‑year notice period, may terminate or elect not to renew the agreement only upon written notice specifying the reasons for determining that the dealer failed to meet reasonable criteria or market penetration. This written notice must specify that termination or nonrenewal is effective one hundred eighty days from the date of the notice. Either party may petition the court pursuant to subsection (C).

(E) Immediate notice of termination without an opportunity to cure is considered reasonable if, during the agreement term, the equipment dealer:

(1) is declared bankrupt or is determined judicially to be insolvent, assigns all or a substantial part of his assets to or for the benefit of a creditor, or admits his inability to pay his debts as they come due;

(2) abandons the dealership agreement or sales agreement by failing to operate the business for five consecutive days that the equipment dealer is required to operate the business pursuant to the terms of the dealership agreement or sales agreement, or any shorter period after which it is reasonable under the facts and circumstances for the manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesale branch or division to conclude that the equipment dealer does not intend to continue to operate pursuant to the dealership agreement or sales agreement, unless the failure to operate is due to fire, flood, earthquake, or other similar causes beyond the equipment dealer’s control;

(3) agrees in writing with the manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesale branch or division to terminate the dealership agreement or sales agreement;

(4) makes a misrepresentation material to the acquisition of the dealership agreement or sales agreement or engages in conduct that reflects materially and unfavorably upon the reputation of the business of the manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesale branch or division;

(5) fails to comply with a federal, state, or local law or regulation applicable to the operation of his business for a period of ten days after notification of noncompliance;

(6) has his business or business premises seized, taken over, or foreclosed by a government official in the exercise of his duties or by a creditor, lienholder, or lessor, and a final judgment against the dealer remains unsatisfied for thirty days absent a filing of a supersedeas or other appeal bond, or a levy of execution is made upon a license granted by the dealership agreement or sales agreement and it is not discharged within five days of the levy;

(7) makes a material misrepresentation or falsification of a record;

(8) pleads guilty to or is convicted of a felony;

(9) transfers a controlling ownership interest in the dealership without the manufacturer’s consent, except that the manufacturer may not withhold consent unfairly or unreasonably;

(10) relocates or establishes a new or additional dealer location without the supplier’s consent;

(11) fails to satisfy a payment obligation as it comes due and payable to the manufacturer; or

(12) fails to account promptly to the manufacturer for proceeds from the sale of equipment or to hold those proceeds in trust for the manufacturer’s benefit.

**SECTION 39‑6‑70.** Manufacturer prohibited from owning or competing with dealerships; exceptions.

(A)(1) It is unlawful for a manufacturer, distributor, or wholesaler or any parent, affiliate, wholly or partially owned subsidiary, officer, or representative of a manufacturer, distributor, or wholesaler to:

(a) own, operate, or control or to participate in the ownership, operation, or control of a new equipment dealer in this State;

(b) establish in this State an additional dealer or dealership in which that person or entity has an interest; or

(c) own, operate, or control, directly or indirectly, an interest in a dealer or dealership in this State.

(2) This subsection does not prohibit the making of a loan by a manufacturer, distributor, or wholesaler to any person or entity for the purpose of acquiring a dealer or dealership, nor does it prohibit the ownership, operation, or control of a new equipment dealer by a manufacturer, distributor, or wholesaler:

(a) for a temporary period, not to exceed three years, during the transition from one owner or operator to another;

(b) if a prospective new equipment dealer is not available to own or operate the dealership within a particular geographic market area not serviced by an existing dealer and the manufacturer, distributor, or wholesaler contracts with or employs a third party to open or operate a dealership owned or controlled by the manufacturer, distributor, or wholesaler pursuant to a bona fide written agreement or plan giving a third party ownership of the new equipment dealer or dealership over time;

(c) during the period the new equipment dealer is being sold pursuant to a bona fide contract, shareholder agreement, or purchase option to the operator of the dealership; or

(d) if the manufacturer, distributor, or wholesaler is an owner, operator, or controller as of January 1, 2000, of a dealership that has been engaged in the retail sale of equipment within the same geographical market area for a continuous two‑year period of time immediately before January 1, 2000, and a prospective new equipment dealer is not available to own or operate the dealership in a manner consistent with the public interest.

(B) It is unlawful for a manufacturer, distributor, or wholesaler or any parent, affiliate, wholly or partially owned subsidiary, officer, or representative of a manufacturer, distributor, or wholesaler to compete unfairly with a new equipment dealer of the same product line or make of new equipment operating pursuant to a dealership agreement or sales agreement in this State. Except as otherwise provided in this section, the mere ownership, operation, or control of a new equipment dealer by a manufacturer, distributor, or wholesaler is not a violation of this section.

**SECTION 39‑6‑80.** Notice of intent to establish new dealership or relocate current dealership within geographic market area; petition for injunction by existing dealership; factors considered; exceptions.

(A) A manufacturer, distributor, or wholesaler who intends to establish a new dealer or dealership or to relocate a current dealer or dealership for a particular product line or make of new equipment within the geographic market area of an existing dealer of the same product line or make of new equipment shall give written notice of that intent by certified mail to the existing dealer. The notice must include the following information about the new or relocated dealer or ownership:

(1) specific location;

(2) date of commencement of operation at the new location;

(3) identities of all existing dealers or dealerships located in its market area; and

(4) names and addresses of the dealer and principals.

(B) An existing dealer located in the geographic market area in which a manufacturer, distributor, or wholesaler intends to establish a new dealership or to relocate a current dealer may petition the court, within sixty days of the receipt of the notice, to enjoin or prohibit the establishment of the new or relocated dealer or dealership within the geographic market area of the existing dealer. The court may enjoin or prohibit the establishment of the new dealer or dealership or relocation of a current dealer within the geographic market area of the existing dealer if the dealer proves by a preponderance of the evidence that the existing dealer is providing adequate representation of the product line or make of new equipment in his geographic market area. In determining if the existing dealer is providing adequate representation and whether the new or relocated dealer or dealership is necessary, the court may consider, but is not limited to considering:

(1) the impact the establishment of the new or relocated dealer or dealership will have on users of new equipment, the public, and the existing dealer, except that financial impact may be considered only with respect to the existing dealer;

(2) the size and permanency of investment reasonably made and the reasonable obligations incurred by the existing dealer to perform its obligation pursuant to the dealership agreement or sales agreement;

(3) the reasonably expected market penetration of the product line or make of equipment for the geographic market area, after consideration of all factors that may affect the penetration including, but not limited to, demographic factors such as age, income, education, size class preference, product popularity, retail lease transactions, and other factors affecting sales of equipment in the geographic market area;

(4) actions by the manufacturer, distributor, or wholesaler in denying its existing dealer of the same product line or make of equipment the opportunity for reasonable growth, market expansion, or relocation including the availability of equipment in keeping with reasonable expectations of the manufacturer, distributor, or wholesaler in providing an adequate number of dealerships in the geographic market area;

(5) attempts by the manufacturer, distributor, or wholesaler to coerce the existing dealer into consenting to an additional or relocated dealer or dealership of the same product line or make of new equipment in the geographic market area;

(6) distance, travel time, traffic patterns, and accessibility between the existing dealer’s place of business for the same product line or make of new equipment and location of the proposed new or relocated dealer or dealership;

(7) the likelihood of benefits to users of new equipment from the establishment or relocation of the dealer or dealership, which may not be obtained by other demographic changes or other expected changes in the geographic market area;

(8) if the existing dealer is in substantial compliance with its dealership agreement or sales agreement;

(9) if there is adequate interbrand and intrabrand competition with respect to the product line or make of new equipment, including the adequacy of sales and service facilities;

(10) if the establishment or relocation of the proposed dealer or dealership appears to be warranted and justified based on economic and market conditions pertinent to dealers competing in the geographic market area including anticipated changes; and

(11) the volume of registrations and service business transacted by the existing dealer in the geographic market area of the proposed dealer or dealership.

(C) This section does not apply to:

(1) the addition of a new dealership at a location that is within a three‑ mile radius of a former dealership of the same product line or make of new equipment that has been closed for less than two years;

(2) the relocation of an existing dealer to a new location that is farther away from the protesting dealer’s location than the relocated dealer’s previous location;

(3) the relocation of an existing dealer to a new location that is within a three‑mile radius of the dealer’s current location, when it has been at the current location at least ten years; or

(4) a retailer whose outdoor power equipment sales represent less than ten percent of the retailer’s gross sales in the United States.

**SECTION 39‑6‑90.** Sale or lease of new equipment by manufacturer; preparation and service by dealer.

(A) A manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesale branch or division may sell or lease new equipment for use within this State. If the equipment is prepared for delivery or serviced by a dealer, the manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesale branch or division reasonably shall compensate the dealer for preparation and delivery of the new equipment and pay to the dealer a reasonable commission on the sale or lease of the new equipment. The manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesale branch or division, if practicable, shall utilize the dealer in the relevant geographical market area, as defined in subsection (B), for preparation and delivery. This compensation must be paid or credited in the same manner as provided in Section 39‑6‑100.

(B) For purposes of this section, equipment is considered to be used primarily within a dealer’s geographic market area if the new equipment is located or housed at a user’s facility located within that geographic market area.

**SECTION 39‑6‑100.** Fulfilling warranty agreement; payment of dealer claims; withholding warranty reimbursement prohibited.

(A) Each manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesale branch or division must fulfill properly a warranty agreement and compensate adequately and fairly each of its equipment dealers for labor and parts. All claims made by equipment dealers pursuant to this section for the labor and parts and pursuant to Section 39‑6‑90 must be paid within thirty days following their approval. All claims must be approved or disapproved within thirty days after their receipt. The equipment dealer who submits a disapproved claim must be notified in writing of its disapproval within that period, and the notice must state the specific grounds for the disapproval. Special handling of claims required by the manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesale branch or division, but not uniformly required of all dealers of that make, may be enforced only after thirty days’ notice in writing of good and sufficient reason.

(B) An audit for sales incentives, service incentives, rebates, or other forms of incentive compensation may include only the twelve‑month period immediately following the date of the termination of the incentive compensation program. This limitation is not effective in the case of fraudulent claims.

(C) It is unlawful to deny, delay payment for, or restrict a claim by a dealer for payment or reimbursement for warranty service or parts, incentives, hold‑backs, or other amounts owed to the dealer unless the denial, delay, or restriction is the direct result of a material defect in the claim that affects its validity, except that the manufacturer, distributor, distributor branch or division, factory branch or division, or wholesale branch or division may withhold payment as setoff against obligations otherwise owed by the dealer to the manufacturer, distributor, distributor branch or division, factory branch or division, or wholesale branch or division.

**SECTION 39‑6‑110.** Unreasonable restrictions on dealers; sales agreements for competing lines; separate facilities requirement.

(A) It is unlawful to impose, directly or indirectly, unreasonable restrictions on the equipment dealer relative to transfer, sale, renewal, termination, discipline, noncompetition, or site‑control.

(B) A manufacturer may not prevent a dealer from having an investment in or holding a dealership contract for the sale of competing product lines or makes of equipment.

(C) This section does not prevent a manufacturer from requiring that competing lines of equipment be established in separate facilities. Written notice must be provided to a dealer by the manufacturer at least four years before requiring separate facilities for competing lines of equipment.

**SECTION 39‑6‑120.** Agreements covered by provisions of chapter.

The provisions of this chapter apply to all written and oral agreements between a manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesale branch or division and an equipment dealer including, but not limited to, the dealership agreement, goods and services sales contracts, advertising contracts, leases or mortgages of real or personal property, promises to pay, security interests, pledges, insurance contracts, construction or installation contracts, servicing contracts, and all other agreements in which the manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesale branch or division has any direct or indirect interest.

**SECTION 39‑6‑130.** Termination of dealership.

It is unlawful for the manufacturer, wholesaler, distributor, distributor branch or division, factory branch or division, or wholesale branch or division without due cause to fail to renew or to terminate a dealership agreement.

**SECTION 39‑6‑140.** Actions for damages for violation of chapter.

A person who is injured in his business or property by reason of a violation of this chapter may sue in the court of common pleas and may recover only the actual damages sustained by him and the cost of suit, including a reasonable attorney’s fee.

**SECTION 39‑6‑150.** Time for bringing actions.

Actions rising out of this chapter must be commenced within three years after the cause of action accrues, except that if a liable person conceals the cause of action from the knowledge of the person entitled to bring it, the period prior to the discovery of his cause of action by the entitled person is excluded in determining the time limited for the commencement of the action. If a cause of action accrues against a person during the pendency against him of any civil, criminal, or administrative proceeding brought by the United States, or any of its agencies, pursuant to the antitrust laws, the Federal Trade Commission Act, or other federal act, or the laws of this State related to antitrust laws or to franchising, actions brought pursuant to this chapter may be commenced within one year after the final disposition of the civil, criminal, or administrative proceeding.

**SECTION 39‑6‑160.** Contract provision in violation of chapter against public policy.

A provision of a contract or a practice pursuant to a contract in violation of this chapter is against public policy and unenforceable.

**SECTION 39‑6‑170.** Venue provisions in contract.

A contract entered into after July 1, 2000 and covered by this chapter, may not establish requirements for venue and jurisdiction.

**SECTION 39‑6‑180.** Severability.

If a section, paragraph, provision, or portion of this chapter is held to be unconstitutional or invalid by a court of competent jurisdiction, this holding does not affect the constitutionality or validity of the remaining portions of this chapter, and for this purpose the General Assembly declares that the provisions of this act are severable from each other.