HOUSE BILL 562

I3, C2 HB 799/20 – ECM

By: Delegates Hornberger, Anderton, Arikan, Beitzel, Boteler, Carr, Charkoudian, Cox, Ebersole, Feldmark, Ghrist, Griffith, Hartman, Howard, Kipke, Korman, Krebs, McComas, McKay, Moon, Munoz, Otto, Palakovich Carr, Saab, Shetty, Smith, and Stewart

Introduced and read first time: January 31, 2022 Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

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Consumer Protection – Right to Repair – Farm Equipment

3 FOR the purpose of requiring an original equipment manufacturer to make available 4 certain documentation, updates, or information to an independent repair provider or owner of farm equipment to allow for the diagnosis, maintenance, or repair of the $\mathbf{5}$ 6 farm equipment; providing that any contractual agreement purporting to waive, 7 avoid, or limit a farm equipment manufacturer's compliance with this Act is void; 8 prohibiting a farm equipment manufacturer from knowingly misrepresenting or 9 withholding farm equipment part numbers from a customer for a certain purpose; 10 and generally relating to the right to repair farm equipment.

- 11 BY repealing and reenacting, without amendments,
- 12 Article Commercial Law
- 13 Section 1–201(b)(27)
- 14 Annotated Code of Maryland
- 15 (2013 Replacement Volume and 2021 Supplement)
- 16 BY adding to
- 17 Article Commercial Law
- 18 Section 13-301(14)(xxxiii); and 14-4401 through 14-4405 to be under the new
 19 subtitle "Subtitle 44. Farm Equipment Repair"
- 20 Annotated Code of Maryland
- 21 (2013 Replacement Volume and 2021 Supplement)
- 22 BY repealing and reenacting, with amendments,
- 23 Article Commercial Law
- 24 Section 13–301(14)(xxxiii) through (xxxv)
- 25 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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1 (2013 Replacement Volume and 2021 Supplement) $\mathbf{2}$ SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, 3 That the Laws of Maryland read as follows: Article - Commercial Law 4 1 - 201. $\mathbf{5}$ 6 Subject to definitions contained in other articles of the Maryland Uniform (b) 7 Commercial Code that apply to particular titles or parts of titles of the Maryland Uniform 8 Commercial Code: 9 (27) "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, government, 10 governmental subdivision, agency, or instrumentality, public corporation, or any other 11 12legal or commercial entity. 13 13 - 301. 14Unfair, abusive, or deceptive trade practices include any: Violation of a provision of: 15(14)TITLE 14, SUBTITLE 44 OF THIS ARTICLE; 16 (XXXIII) 17[(xxxiii)] (XXXIV) The federal Military Lending Act; 18 [(xxxiv)] (XXXV) The federal Servicemembers Civil Relief Act; or 19 [(xxxv)] (XXXVI) § 11–210 of the Education Article; or SUBTITLE 44. FARM EQUIPMENT REPAIR. 202114-4401. 22(A) IN THIS SUBTITLE THE FOLLOWING TERMS HAVE THE MEANINGS 23INDICATED. "AUTHORIZED REPAIR PROVIDER" MEANS A PERSON THAT IS 24**(B)** (1) 25UNAFFILIATED WITH THE ORIGINAL EQUIPMENT MANUFACTURER AND WHO HAS: 26**(I)** AN ARRANGEMENT WITH THE ORIGINAL EQUIPMENT MANUFACTURER UNDER WHICH THE ORIGINAL EQUIPMENT MANUFACTURER 2728GRANTS TO THE PERSON A LICENSE TO USE A TRADE NAME, SERVICE MARK, OR

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OTHER PROPRIETARY IDENTIFIER FOR THE PURPOSES OF OFFERING THE SERVICES
 OF DIAGNOSIS, MAINTENANCE, OR REPAIR OF FARM EQUIPMENT UNDER THE NAME
 OF THE ORIGINAL EQUIPMENT MANUFACTURER; OR

4 (II) ANOTHER ARRANGEMENT WITH THE ORIGINAL EQUIPMENT 5 MANUFACTURER TO OFFER THE SERVICES OF DIAGNOSIS, MAINTENANCE, OR 6 REPAIR ON BEHALF OF THE ORIGINAL EQUIPMENT MANUFACTURER.

7 (2) "AUTHORIZED REPAIR PROVIDER" INCLUDES AN ORIGINAL 8 EQUIPMENT MANUFACTURER THAT:

9 (I) OFFERS THE SERVICES OF DIAGNOSIS, MAINTENANCE, OR 10 REPAIR OF FARM EQUIPMENT MANUFACTURED BY IT OR ON ITS BEHALF, OR SOLD 11 OR OTHERWISE SUPPLIED BY IT; AND

12(II) DOES NOT HAVE AN ARRANGEMENT DESCRIBED IN13PARAGRAPH (1) OF THIS SUBSECTION WITH AN UNAFFILIATED PERSON.

14 (C) "DOCUMENTATION" MEANS ANY MANUAL, DIAGRAM, REPORTING 15 OUTPUT, SERVICE CODE DESCRIPTION, SCHEMATIC, OR OTHER INFORMATION USED 16 IN EFFECTING THE SERVICES OF DIAGNOSIS, MAINTENANCE, OR REPAIR OF FARM 17 EQUIPMENT.

18 (D) (1) "FAIR AND REASONABLE TERMS" MEANS AT COSTS AND TERMS 19 THAT ARE EQUIVALENT TO THE MOST FAVORABLE COSTS AND TERMS UNDER WHICH 20 THE ORIGINAL EQUIPMENT MANUFACTURER OFFERS THE PART, TOOL, OR 21 DOCUMENTATION TO AN AUTHORIZED REPAIR PROVIDER:

- 22
- (I) ACCOUNTING FOR:

231.ANY DISCOUNT, REBATE, OR CONVENIENT AND24TIMELY MEANS OF DELIVERY;

25 **2. MEANS OF ENABLING FULLY RESTORED AND** 26 UPDATED FUNCTIONALITY, RIGHTS OF USE, OR OTHER INCENTIVE OR PREFERENCE 27 THE ORIGINAL EQUIPMENT MANUFACTURER OFFERS TO AN AUTHORIZED REPAIR 28 PROVIDER; OR

293. ANY ADDITIONAL COST, BURDEN, OR IMPEDIMENT30THE ORIGINAL EQUIPMENT MANUFACTURER IMPOSES ON AN OWNER OR31INDEPENDENT REPAIR PROVIDER; AND

32

(II) NOT CONDITIONED ON HAVING AN ARRANGEMENT

DESCRIBED IN SUBSECTION (B)(1) OF THIS SECTION WITH AN ORIGINAL EQUIPMENT
 MANUFACTURER.

3 (2) "FAIR AND REASONABLE TERMS" INCLUDES ANY RELEVANT 4 UPDATES TO DOCUMENTATION AT NO CHARGE OR, IF THE DOCUMENTATION IS 5 REQUESTED IN PHYSICAL PRINTED FORM, A CHARGE THAT IS LIMITED TO THE 6 REASONABLE ACTUAL COSTS OF PREPARING AND SENDING THE COPY.

7 (E) (1) "FARM EQUIPMENT" MEANS EQUIPMENT THAT IS USED OR 8 INTENDED FOR USE IN A FARM OPERATION.

9 (2) "FARM EQUIPMENT" INCLUDES ANY COMBINE, TRACTOR, 10 IMPLEMENT, ENGINE, MOTOR, OR ATTACHMENT.

11 (3) "FARM EQUIPMENT" DOES NOT INCLUDE A VEHICLE AS DEFINED 12 IN § 11–176 OF THE TRANSPORTATION ARTICLE.

(F) "FARM EQUIPMENT MANUFACTURER" MEANS A BUSINESS ENGAGED IN
 SELLING, LEASING, OR OTHERWISE SUPPLYING NEW FARM EQUIPMENT, OR PARTS
 OF FARM EQUIPMENT, MANUFACTURED BY OR ON BEHALF OF THE MANUFACTURER,
 TO ANOTHER PERSON.

17 (G) (1) "INDEPENDENT REPAIR PROVIDER" MEANS A PERSON 18 OPERATING IN THE STATE THAT:

19(I) DOES NOT HAVE AN ARRANGEMENT DESCRIBED IN20SUBSECTION (B)(1) OF THIS SECTION WITH THE ORIGINAL EQUIPMENT21MANUFACTURER; AND

(II) IS NOT AFFILIATED WITH A PERSON THAT HAS AN
 ARRANGEMENT DESCRIBED IN SUBSECTION (B)(1) OF THIS SECTION WITH THE
 ORIGINAL EQUIPMENT MANUFACTURER WHEN THE PERSON IS ENGAGED IN THE
 SERVICES OF DIAGNOSIS, MAINTENANCE, OR REPAIR OF FARM EQUIPMENT.

(2) "INDEPENDENT REPAIR PROVIDER" INCLUDES THE FOLLOWING
WHEN ENGAGED IN THE SERVICES OF DIAGNOSIS, MAINTENANCE, OR REPAIR OF
FARM EQUIPMENT THAT IS NOT MANUFACTURED BY OR ON BEHALF OF, OR SOLD OR
OTHERWISE SUPPLIED BY, THE ORIGINAL EQUIPMENT MANUFACTURER:

- 30 (I) AN ORIGINAL EQUIPMENT MANUFACTURER; OR
- 31 (II) A PERSON THAT:

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11.HASANARRANGEMENTDESCRIBEDUNDER2SUBSECTION (B)(1)OFTHISSECTIONWITHANORIGINALEQUIPMENT3MANUFACTURER; OR

4 **2.** IS AFFILIATED WITH A PERSON THAT HAS AN 5 ARRANGEMENT DESCRIBED IN SUBSECTION (B)(1) OF THIS SECTION WITH THE 6 ORIGINAL EQUIPMENT MANUFACTURER.

7 (H) "PART" MEANS ANY REPLACEMENT PART, EITHER NEW OR USED, MADE 8 AVAILABLE BY OR TO AN ORIGINAL EQUIPMENT MANUFACTURER FOR PURPOSES OF 9 EFFECTING THE SERVICES OF MAINTENANCE OR REPAIR OF FARM EQUIPMENT 10 MANUFACTURED BY OR ON BEHALF OF, SOLD BY, OR OTHERWISE SUPPLIED BY THE 11 ORIGINAL EQUIPMENT MANUFACTURER.

12 (I) (1) "TOOL" MEANS ANY SOFTWARE PROGRAM, HARDWARE, OR OTHER 13 APPARATUS USED FOR DIAGNOSIS, MAINTENANCE, OR REPAIR OF FARM 14 EQUIPMENT.

15 (2) "TOOL" INCLUDES SOFTWARE OR OTHER MECHANISMS THAT 16 PROVISION, PROGRAM, OR PAIR A PART, CALIBRATE FUNCTIONALITY, OR PERFORM 17 ANY OTHER FUNCTION REQUIRED TO BRING THE PRODUCT BACK TO FULLY 18 FUNCTIONAL CONDITION.

19 (J) "TRADE SECRET" HAS THE MEANING STATED IN § 11–1201 OF THIS 20 ARTICLE.

21 **14–4402.**

22 (A) THIS SUBTITLE APPLIES ONLY TO FARM EQUIPMENT THAT IS SOLD OR 23 USED IN THE STATE.

24 (B) THIS SUBTITLE MAY NOT BE CONSTRUED TO REQUIRE AN EQUIPMENT 25 MANUFACTURER OR AUTHORIZED REPAIR PROVIDER TO:

26 (1) DIVULGE A TRADE SECRET TO AN OWNER OR TO AN INDEPENDENT
 27 REPAIR PROVIDER EXCEPT AS NECESSARY TO PROVIDE DOCUMENTATION, PARTS,
 28 AND TOOLS ON FAIR AND REASONABLE TERMS; OR

29 (2) PROVIDE ACCESS TO DOCUMENTATION THAT DOES NOT SERVE A 30 SECURITY RESET, DIAGNOSTIC, SERVICE, OR REPAIR PURPOSE.

31 (C) THIS SUBTITLE MAY NOT BE CONSTRUED TO:

1 (1) SUBJECT TO SUBSECTION (D) OF THIS SECTION, ALTER THE 2 TERMS OF AN ARRANGEMENT DESCRIBED IN § 14–4401(B) OF THIS SUBTITLE IN 3 FORCE BETWEEN AN AUTHORIZED REPAIR PROVIDER AND AN ORIGINAL EQUIPMENT 4 MANUFACTURER, INCLUDING THE PERFORMANCE OR PROVISION OF WARRANTY OR 5 RECALL REPAIR WORK BY AN AUTHORIZED REPAIR PROVIDER ON BEHALF OF AN 6 ORIGINAL EQUIPMENT MANUFACTURER UNDER THE ARRANGEMENT; OR

7 (2) REQUIRE AN ORIGINAL EQUIPMENT MANUFACTURER TO MAKE
8 AVAILABLE A PART THAT IS NO LONGER AVAILABLE TO THE ORIGINAL EQUIPMENT
9 MANUFACTURER.

10 **(D)** A TERM IN AN ARRANGEMENT DESCRIBED IN § 14–4401(B) OF THIS 11 SUBTITLE BETWEEN AN AUTHORIZED REPAIR PROVIDER AND AN ORIGINAL 12 EQUIPMENT MANUFACTURER THAT PURPORTS TO WAIVE, AVOID, RESTRICT, OR 13 LIMIT THE ORIGINAL EQUIPMENT MANUFACTURER'S OBLIGATIONS TO COMPLY 14 WITH THIS SUBTITLE IS VOID AND UNENFORCEABLE.

15 **14–4403.**

16 (A) FOR FARM EQUIPMENT, OR PARTS FOR FARM EQUIPMENT, 17MANUFACTURED BY AN ORIGINAL EQUIPMENT MANUFACTURER OR ON ITS BEHALF, OR SOLD OR OTHERWISE SUPPLIED BY IT, AND SOLD USED IN THE STATE, THE 18ORIGINAL EQUIPMENT MANUFACTURER SHALL, ON FAIR AND REASONABLE TERMS, 19 20MAKE AVAILABLE TO AN INDEPENDENT REPAIR PROVIDER OR OWNER OF THE FARM 21EQUIPMENT DOCUMENTATION, PARTS, AND TOOLS, INCLUSIVE OF ANY UPDATES, 22FOR PURPOSES OF DIAGNOSIS, MAINTENANCE, OR REPAIR OF THE FARM 23EQUIPMENT.

(B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A FARM
EQUIPMENT MANUFACTURER THAT SELLS FARM EQUIPMENT THAT CONTAINS A
SECURITY-RELATED FUNCTION SHALL MAKE AVAILABLE TO AN OWNER OR
INDEPENDENT REPAIR PROVIDER, ON FAIR AND REASONABLE TERMS, ANY SPECIAL
DOCUMENTATION, TOOLS, AND PARTS NEEDED TO RESET THE LOCK OR FUNCTION.

(2) IF NECESSARY FOR SECURITY PURPOSES, A FARM EQUIPMENT
 MANUFACTURER MAY PROVIDE INFORMATION NECESSARY TO RESET AN
 IMMOBILIZER SYSTEM OR SECURITY-RELATED ELECTRONIC MODULE THROUGH A
 SECURE DATA RELEASE SYSTEM.

(C) ANY PROVISION IN AN AUTHORIZED REPAIR AGREEMENT PURPORTING
 TO WAIVE, AVOID, OR LIMIT A FARM EQUIPMENT MANUFACTURER'S COMPLIANCE
 WITH THIS SUBTITLE SHALL BE VOID.

1 **14–4404.**

2 A FARM EQUIPMENT MANUFACTURER MAY NOT KNOWINGLY MISREPRESENT 3 OR WITHHOLD FARM EQUIPMENT PART NUMBERS FROM A CUSTOMER FOR THE 4 PURPOSE OF PREVENTING THE CUSTOMER FROM SHOPPING FOR A COMPETITIVE 5 PRICE ON A REPLACEMENT PART.

- 6 **14-4405.**
- 7 A VIOLATION OF THIS SUBTITLE IS:

8 (1) AN UNFAIR, ABUSIVE, OR DECEPTIVE TRADE PRACTICE WITHIN 9 THE MEANING OF TITLE 13 OF THIS ARTICLE; AND

10 (2) SUBJECT TO THE ENFORCEMENT AND PENALTY PROVISIONS 11 CONTAINED IN TITLE 13 OF THIS ARTICLE.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to 13 apply only prospectively and may not be applied or interpreted to abrogate, interfere with, 14 contradict, or alter the terms of any contract that is executed between an authorized repair 15 provider and a farm equipment manufacturer before the effective date of this Act.

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect 17 October 1, 2022.