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March 12, 2026

To: The Honorable Pamela Beidle
Chair, Finance Committee

From: Karen S. Straughn
Consumer Protection Division.

Re: Senate Bill 849 – Consumer Protection – Agriculture Equipment Warranties
(SUPPORT)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony to support Senate Bill 849 submitted by Senator Jason C. Gallion. Senate Bill 849 creates a lemon law for new agricultural equipment and provides that, if repairs under the warranty are needed for something that substantially impairs the value of the equipment, and the manufacturer is unable to make repairs, it shall replace the equipment or refund the purchase price, less a reasonable allowance for use of the vehicle and any damage caused by the consumer.

A lemon law for new agricultural equipment is designed to protect farmers and ranchers when newly purchased machinery repeatedly fails to perform as warranted. Unlike many other consumer products, farm equipment is mission-critical and time-sensitive. Planting and harvesting operate within narrow weather windows. If a new tractor, combine, or planter fails repeatedly, it may cause losses that far exceed the equipment's daily rental value. In addition, agricultural equipment is very expensive, so farmers typically finance these purchases, making it difficult to obtain a replacement in the event the equipment fails.

The remedies currently provided under agricultural manufacturer warranties are often insufficient. Repairs may not permanently solve the defect and downtime compensation is usually inadequate. In addition, there is an imbalance of power since manufacturers generally

have greater legal resources as well as greater control over diagnostic tools and parts. Generally, individual farmers lack comparable leverage, leaving them unable to easily repair or replace a faulty product.

A healthy agricultural environment supports economic stability. Equipment failures can ripple beyond a single farm - local suppliers, seasonal labor and food supply chains are all negatively affected when a farmer is unable to properly tend to their crops. However, strong consumer protections in this sector will help maintain broader economic stability.

For the reasons set forth, the Consumer Protection Division requests that the Finance Committee issue a favorable report on this bill.

cc: The Honorable Jason C. Gallion
Members, Finance Committee