

1967 Bill 73

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Fifth Session, 15th Legislature, 15 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

## **BILL 73**

**An Act respecting the Sale of Farm Implements**

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THE MINISTER OF AGRICULTURE

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First Reading .....

Second Reading .....

Third Reading .....

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# BILL 73

1967

An Act respecting the Sale of Farm Implements

(Assented to \_\_\_\_\_, 1967)

**H**ER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

1. This Act may be cited as *The Farm Implement Act*.
2. In this Act,
  - (a) "dealer" means a person operating in the ordinary course of business a retail establishment for the sale or resale of farm implements, repair parts and implement services and who is required to be licensed as a farm implement dealer under *The Licensing of Trades and Businesses Act*;
  - (b) "farm implement" means any implement or machine having the retail sale price of \$200 or more and used or intended for use in farming operations, but does not include a motor vehicle as defined in *The Highway Traffic Act*;
  - (c) "inspector" means an inspector appointed under this Act;
  - (d) "purchaser" means a farmer who purchases a farm implement for his own use;
  - (e) "vendor" means a manufacturer or supplier of farm implements who sells, consigns or delivers farm implements to a dealer for sale or resale in the ordinary course of business or who sells or leases farm implements.
3. (1) This Act does not apply to sales of farm implements
  - (a) by farmers
    - (i) by auction sale, or
    - (ii) in the ordinary course of their farming operations,
  - or
  - (b) by executors or administrators, or
  - (c) by public officials acting under judicial process, or
  - (d) to vendors or dealers.

## **Explanatory Notes**

**1.** This Bill repeals and replaces The Farm Machinery Act which is chapter 110 of the Revised Statutes.

**2.** Definitions.

**3.** Application of Act.

(2) *The Direct Sales Cancellation Act* does not apply to sales of farm implements made by vendors or dealers in accordance with this Act.

4. (1) Every sale agreement of a farm implement, whether new or used,

- (a) shall be in writing,
- (b) shall state the address of the principal office of the vendor in Alberta,
- (c) shall set out the nature and duration of all warranties given in connection with the farm implement.

(2) Notwithstanding clause (c) of subsection (1), any warranty may be stated elsewhere than in the sale agreement if the statement

- (a) is in writing and identifies the implement to which the warranty applies, and
- (b) is delivered to the purchaser at the time of the sale.

5. Notwithstanding anything contained in an agreement, every new farm implement sold shall be deemed to be warranted to be

- (a) made of good material,
- (b) properly constructed, both as to design and workmanship,
- (c) in good working order,
- (d) capable of performing in a satisfactory manner the work for which it is intended, subject to reasonable operating conditions and proper use and maintenance, and
- (e) designed and constructed in every way so as with proper care and use, to ensure reasonable durability.

6. (1) Where a new farm implement used under reasonable operating conditions and with proper use and maintenance fails to perform the work for which it is intended in a satisfactory manner, the purchaser may within seven days from the date the implement is first used give notice, by registered mail, to the vendor of the failure to perform and the dealer or vendor shall endeavour to make the implement perform in a satisfactory manner

- (a) not later than the seventh day after receiving the notice, given reasonable operating conditions, or
- (b) if reasonable operating conditions do not exist following the receipt of the notice, then not later than the seventh day of reasonable operating conditions after receipt of the notice,

and if the dealer or vendor fails to make the implement perform in a satisfactory manner by the end of those seven days the dealer or vendor shall, within 24 hours provide

**4.** Required contents of sale agreements of farm implements.

**5.** Implied warranties on new farm implements.

**6.** Remedy where new implement fails to perform satisfactorily  
in first week of use.

the purchaser with a satisfactory substitute implement for the purchaser's use until his implement is made to perform in a satisfactory manner.

(2) If, within a reasonable time after providing the substitute implement to the purchaser, the dealer or vendor fails to make the purchaser's implement perform in a satisfactory manner, the dealer or vendor shall replace the purchaser's implement with an implement which is acceptable to the purchaser or terminate the sale agreement and refund to the purchaser all moneys paid by him in connection therewith.

(3) A purchaser is not obliged to follow the procedure set out in subsection (1) and the fact that he does not follow it in no way reduces the liability of the dealer or vendor for a breach of warranty.

**7.** (1) Notwithstanding anything contained in the agreement, every sale agreement of a new farm implement shall be deemed to contain a warranty that a sufficient supply of repair parts for the implement will be made available by the vendor for a period of 10 years from the date of the agreement.

(2) Repair parts shall be made available to the purchaser within a reasonable length of time after a request therefor is made to the vendor but the vendor is not responsible for any delay in delivering a required part that is due to circumstances beyond his control.

**8.** Where a sale agreement of a new farm implement sets a time limit on the duration of any warranty given therein, that time shall be deemed to run from the date the implement is first used within the first normal season of use by the purchaser for its intended purpose and not from any earlier date, notwithstanding anything contained in the sale agreement.

**9.** (1) Any statement in a sale agreement, order, security instrument or statement of warranties made, taken or given in connection with the sale of a farm implement to the effect that the liability of the vendor as provided in this Act is limited or modified in any way is void.

(2) Subsection (1) does not apply to any statement in so far as it

- (a) limits the duration of any warranty, or
- (b) limits the liability of the vendor or dealer for consequential damages arising out of a breach of warranty,

if the limitation is clearly set out in the document setting out the warranty.

**7.** Warranty on availability of repair parts.

**8.** Time limit on warranties.

**9.** The benefits of the Act may not be waived by purchasers.

(3) Subsection (1) does not affect the validity of the remaining provisions of the agreement, order, instrument or statement.

**10.** A person who signs an agreement to purchase a farm implement is not bound by the agreement until

- (a) the agreement is signed by the vendor or his dealer or by a representative authorized to bind the vendor or dealer, or
- (b) he has taken delivery of the machine under the agreement,

whichever first occurs.

**11.** A vendor or his dealer shall

- (a) keep a copy of every sale agreement of a farm implement entered into by him for at least two years, and
- (b) upon the request of an inspector, produce the copy and allow the inspector to make copies thereof.

**12.** An inspector may inspect the stock of repair parts maintained in Alberta by vendors and their dealers and for that purpose every vendor and every dealer shall give an inspector admission and free access to his premises during usual business hours.

**13.** Any defective part of a farm implement for which the purchaser claims a replacement under a warranty shall be returned within 30 days after the failure

- (a) to the dealer at the address stated in the sale agreement, or
- (b) if no address is stated therein, to the vendor or nearest dealer of the vendor,

and if a defective part is returned to the vendor or to a dealer, who was not the dealer who sold the implement to the purchaser, the part shall be accompanied by a written statement containing sufficient particulars of the sale transaction to enable the vendor or dealer to reasonably identify the transaction.

**14. (1)** The vendor of a farm implement and the dealer who sold it to the purchaser are liable to the purchaser for a breach of any of the warranties mentioned in sections 5 and 7 and the purchaser may maintain an action against any one or both of them for the breach.

(2) In any action commenced by a purchaser pursuant to this section, the party against whom the action is brought may as a matter of right add as third parties all persons involved, including the dealer or the vendor and any party to whom any note given in connection with the sale of the



**10.** When sale agreements become effective.

**11.** Copies of agreements to be kept by vendors and dealers.

**12.** Powers of inspectors.

**13.** Claims for replacement of defective parts.

**14.** Liability of vendors and dealers for breach of statutory warranties.

farm implement, or the moneys payable thereunder, has been assigned or delivered, to the end that the rights of all parties may be determined, including any or all counter-claims of the parties against the purchaser.

**15.** (1) Any dispute between a purchaser and a vendor or dealer, or both, with respect to any obligation imposed on the vendor or dealer by this Act may, at the option of either party, be submitted to two arbitrators for arbitration under *The Arbitration Act* instead of being settled by action.

(2) Without restricting any other remedies available to a purchaser, an inspector may, on the request of a purchaser, inquire into and attempt to resolve any dispute between the purchaser and a vendor or dealer, or both, with respect to any obligation imposed upon the vendor or dealer by this Act.

**16.** Upon the request of the Minister of Agriculture, any vendor selling or offering for sale farm implements in Alberta shall provide the Minister with

- (a) lists of all types of farm implements offered for sale,
- (b) lists by category or group of parts maintained in stock by them in Alberta,
- (c) a statement or true copy of the current published suggested retail prices for those implements and parts, and
- (d) copies of specific sale agreements of farm implements.

**17.** (1) The Minister of Agriculture is charged with the administration of this Act.

(2) Subject to *The Public Service Act, 1962* there may be appointed such inspectors and other employees as are required for the administration of this Act.

**18.** A person who contravenes this Act is guilty of an offence and liable on summary conviction to a fine of not more than \$100.

**19.** The Lieutenant Governor in Council may make regulations to give effect to the purposes of this Act,

- (a) governing the form of sale agreements of farm implements,
- (b) governing the contents of sale agreements of farm implements, and
- (c) respecting any other matter necessary for carrying out this Act according to its intent.

**20.** *The Farm Machinery Act*, being chapter 110 of the Revised Statutes is repealed.

**21.** This Act comes into force on the first day of November, 1967.

**15.** Settlement of disputes.

**16.** Information to be supplied Minister of Agriculture.

**17.** Administration of Act.

**18.** Offence and penalty.

**19.** Regulations.