

1982 BILL 24

Fourth Session, 19th Legislature, 31 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 24

FARM IMPLEMENT ACT

MR. MAGEE

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

Bill 24
Mr. Magee

BILL 24

1982

FARM IMPLEMENT ACT

(Assented to , 1982)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

Definitions

1 In this Act,

- (a) “custom operator” means a person who purchases a new farm implement and uses or permits the use of that farm implement for hire or for service to others for valuable consideration to the extent of at least 50% of the annual use of that farm implement;
- (b) “dealer” means a person operating in the ordinary course of business a retail establishment for the sale of farm implements;
- (c) “distributor” means a person, including a manufacturer, who sells, consigns or delivers farm implements to a dealer for sale in the ordinary course of business;
- (d) “farm implement” includes any implement, equipment, engine, motor, machine, combine, tractor or attachment used or intended for use in farming operations;
- (e) “inspector” means an inspector appointed under section 32;
- (f) “Minister” means the Minister of Agriculture;
- (g) “purchaser” means a farmer who purchases a farm implement for his own use.

**Exemption
from Act**

2(1) This Act does not apply to a sale of a farm implement

- (a) by a farmer
 - (i) by sale by public auction, or
 - (ii) in the ordinary course of his farming operations;
- (b) by an executor or administrator;

(c) by a public official acting under judicial process;

(d) to a dealer or distributor, except as provided in sections 22 and 23.

(2) The Lieutenant Governor in Council may make regulations exempting any farm implement or class of farm implements from this Act or from any of the provisions of this Act.

(3) The *Direct Sales Cancellation Act* does not apply to the sale of a farm implement, except a farm implement that is exempted from this Act pursuant to subsection (2).

Form of
agreement

3(1) Every sale agreement of a farm implement, whether new or used,

(a) shall be in writing,

(b) shall contain an address for the dealer and the distributor,

(c) shall set out the nature and duration of all warranties given in connection with the farm implement,

(d) shall contain a description of the farm implement, including the serial number and model number, if available, by which it may be readily known and distinguished,

(e) if the sale agreement relates to more than one farm implement, shall show a purchase price for each farm implement, including any attachment and accessory that has a value greater than \$200,

(f) if the sale agreement relates to a farm implement that is supplied by one distributor but has an attachment to it supplied by another distributor, shall show separately the purchase price for the attachment, and

(g) shall contain any other information prescribed in the regulations.

(2) If, with respect to a farm implement that is manufactured with a serial number, the serial number of the farm implement is not available to the dealer at the time the sale agreement is entered into, the dealer shall, in writing, advise the purchaser of the serial number not later than the date the farm implement is delivered to the purchaser.

(3) Notwithstanding subsection (1)(c) or section 4, a warranty may be stated elsewhere than in the sale agreement if the statement

(a) is in writing and identifies the farm implement to which the warranty applies, and

(b) is delivered to the purchaser not later than the time he takes delivery of the farm implement under the agreement.

Implied
warranty, power

4(1) A sale agreement shall state,

(a) in the case of a new tractor, the drawbar power or the power takeoff power, and

(b) in the case of a new farm implement other than a tractor, which

(i) is an engine or motor, or

(ii) has an engine or motor as a composite part of it,

the net power of the farm implement,

as shown in the manufacturer's specifications or advertising, and that tractor or other farm implement shall be deemed to be warranted as being capable of developing the power as stated in the sale agreement if it is properly used and maintained and used under reasonable operating conditions.

(2) The warranty provided for in subsection (1) is deemed to apply for a reasonable period of time not to be less than 1 year from the date that the farm implement is first used in the first normal season of use by the purchaser.

Implied
warranty, quality

5(1) Notwithstanding anything contained in an agreement or other document, every new farm implement sold is deemed to be warranted to be

(a) made of good material,

(b) properly constructed as to design and workmanship,

(c) in good working order,

(d) capable of performing under reasonable operating conditions and with proper use and maintenance the work for which it is intended in a satisfactory manner, and

(e) designed and constructed so as to ensure reasonable durability with proper use and maintenance and under reasonable operating conditions.

(2) The warranties provided for by this section are deemed to apply for a reasonable period of time not to be less than 1 year from the date that the new farm implement is first used in the first normal season of use by the purchaser for its intended purpose.

(3) A custom operator does not have the benefit of any of the warranties provided for in subsection (1)(d) and (e) with respect to a farm implement mentioned in section 1(a) that is purchased by him.

Notice of failure
to perform

6(1) In this section,

(a) "trade-in" means a farm implement or other property that is purchased by the dealer under a trade-in arrangement;

(b) “trade-in allowance” means the amount shown in a sale agreement as the amount accepted by the dealer as the value of a trade-in under a trade-in arrangement;

(c) “trade-in arrangement” means an agreement or arrangement, whether contained in a sale agreement or made by a separate agreement or arrangement in conjunction with or incidental to a sale agreement, whereby the purchaser agrees to sell his own farm implement or other property to the dealer and the farm implement or other property is accepted as the whole or part of the consideration under the sale agreement.

(2) When a new farm implement that is properly used and maintained and used under reasonable operating conditions fails to perform the work for which it is intended in a satisfactory manner during

(a) any of the first 10 days of actual use of the farm implement, whether or not those days are consecutive, or

(b) the first 100 hours of actual use of the farm implement, whether or not that period is continuous,

whichever occurs first, from the time the farm implement is first used within the first normal season of use after it is delivered to the purchaser, the purchaser may, within that season, give notice under subsection (3) of the farm implement’s failure to perform that work.

(3) A notice referred to in subsection (2) shall be in writing and shall be given to the Minister, the distributor and the dealer as soon as is reasonably possible after the failure occurs.

(4) On receiving notice under subsection (3), the dealer or distributor shall, not later than 7 working days during which reasonable operating conditions exist for that farm implement after the date on which he received the notice, endeavour to make the farm implement perform in a satisfactory manner.

(5) If the dealer or distributor fails to make the farm implement perform in a satisfactory manner pursuant to subsection (4), the dealer or distributor shall, within 48 hours after the expiry of the period stated in subsection (4), provide the purchaser with a satisfactory substitute farm implement for the purchaser’s use until his farm implement is made to perform in a satisfactory manner.

(6) If the sale agreement does not contain an address for the distributor,

(a) the purchaser is not required to give notice to the distributor under subsection (3), and

(b) when the notice is given to the dealer, the dealer shall forthwith notify the distributor of that fact and of the contents of the notice.

(7) If, within a reasonable time after providing the substitute farm implement to the purchaser, the dealer or distributor fails to make

the purchaser's farm implement perform in a satisfactory manner, the dealer or distributor shall either

- (a) replace the purchaser's farm implement with a farm implement that is acceptable to the purchaser, or
 - (b) terminate the sale agreement or, if the sale agreement relates to the purchase of more than one farm implement, terminate the sale agreement only as to the farm implement in respect of which notice under subsection (3) was given.
- (8) If the sale agreement relates to one farm implement and is wholly terminated pursuant to subsection (7)(b), the dealer or distributor shall
- (a) refund to the purchaser all money paid by him in connection with the sale agreement, and
 - (b) subject to subsections (9) and (10), return to the purchaser any trade-in, in any case where a trade-in arrangement was made.
- (9) If the dealer or distributor is required to return a trade-in in accordance with subsection (8)(b) but has, prior to the termination of the sale agreement, incurred costs or performed work in repairing or reconditioning the trade-in, the dealer or distributor may refuse to return the trade-in until he has been paid for the reasonable costs of the repairs or reconditioning or until arrangements satisfactory to the dealer or distributor have been made for payment of those costs.
- (10) If the dealer or distributor is unable or refuses to return the trade-in in accordance with subsection (8)(b), he shall pay to the purchaser an amount equal to the fair market value of the trade-in as of the date the sale agreement was made.
- (11) If the sale agreement relates to more than one farm implement and is terminated only as to one of the farm implements (in this subsection called the "defective farm implement") pursuant to subsection (7)(b),
- (a) the dealer or distributor shall refund to the purchaser an amount of money that bears the same proportion to the money paid under the sale agreement as the purchase price of the defective farm implement bears to the total purchase price of the defective farm implement and the other farm implements purchased under the agreement,
 - (b) in any case where a trade-in arrangement was made, the dealer or distributor shall, unless the purchaser otherwise agrees, pay to the purchaser an amount of money that bears the same proportion to the fair market value of the trade-in as the purchase price of the defective farm implement bears to the total purchase price of the defective farm implement and the other farm implements purchased under the agreement, and
 - (c) unless the purchaser otherwise agrees, the sale agreement is deemed to be amended so that the trade-in allowance for the farm

implement or implements remaining under the agreement is an amount of money that bears the same proportion to the total trade-in allowance that the purchase price of the other farm implement or implements under the agreement bears to the total purchase price of the defective farm implement and those other farm implements.

(12) For the purposes of determining the fair market value of a trade-in under subsection (10) or (11),

(a) regard may be had to any publication of farm implement prices in general use in the farm implement industry in Canada, and

(b) the fair market value of the trade-in may be less than the trade-in allowance, and the dealer or distributor is not estopped from proving that fact.

(13) This section does not abrogate or restrict any other remedies of a purchaser against a dealer or distributor.

(14) When the sale agreement relates to a farm implement supplied by one distributor but the farm implement has an attachment to it supplied by another distributor, the attachment is deemed to be a separate farm implement for the purposes of this section.

(15) When the sale agreement relates to more than one farm implement, the return of one of those farm implements to the distributor or dealer following the giving of a notice under subsection (3) does not affect any rights, obligations or liabilities of the manufacturer, distributor, dealer or purchaser under the agreement or this Act with respect to the other farm implements, except as provided in this section.

Implied
warranty, repair
parts

7(1) Notwithstanding anything contained in the agreement, every sale agreement of a new farm implement is deemed to contain a warranty that a sufficient supply of repair parts for the farm implement will be made available for a period of at least 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 for them is made to the distributor or dealer but neither the distributor nor the dealer is responsible for any delay in delivering a required part that is due to circumstances beyond his control.

(3) New repair parts that are purchased from a dealer and are supplied by the same distributor who supplied the farm implement for which they are intended are deemed to be warranted to be free from defects as to material and workmanship for a reasonable period of time, to be not less than 1 year from the date that the repair part is first used by the purchaser in the first normal season of use.

Repair parts

8(1) When a warranty is provided for by this Act and a dealer or distributor makes repairs to a farm implement under that warranty,

the dealer or distributor shall use parts that are new and of the standard, quality and size prescribed by the manufacturer for that farm implement.

(2) Notwithstanding subsection (1), if a dealer or distributor is authorized by the purchaser in writing to do so, the dealer or distributor may use parts other than new parts in making repairs to a farm implement under a warranty provided for by this Act.

Regulations
respecting
emergency repair
parts

9(1) Notwithstanding anything in this Act, the Lieutenant Governor in Council may make regulations

- (a) imposing duties and obligations on
 - (i) distributors, respecting the selling and supplying of parts to dealers in an emergency, and
 - (ii) other persons, respecting the purchasing and acquiring of parts for farm implements in an emergency;
- (b) defining “emergency” for the purpose of this Act and the regulations;
- (c) generally, governing the selling, purchasing, supplying and acquiring of parts for farm implements in an emergency.

(2) A person who suffers loss or damage has a cause of action for damages against a person who does not comply with the regulations or fulfil his duties or obligations under the regulations, if that loss or damage is attributable to that person’s non-compliance with the regulations or the non-fulfilment of his duties or obligations under the regulations.

Voluntary
warranties

10 Nothing in this Act prevents a manufacturer, distributor or dealer from binding himself to a warranty in respect of a new farm implement that offers greater protection to the purchaser than a warranty deemed by this Act to have been given, or that applies for a longer period of time than the relevant period of time provided for under this Act in respect of that warranty.

Waiver
prohibited

11(1) Any provision 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 manufacturer, dealer or distributor as provided in this Act is limited or modified in any way is void.

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

Effective date of
sale agreement

12 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 dealer or by a representative authorized to bind the dealer, or

(b) he has taken delivery of the farm implement under the agreement,

whichever occurs first.

Copies of sale agreement

13 A dealer shall keep a copy of every sale agreement of a farm implement entered into by him for at least 2 years and, on the request of an inspector, produce the copy and allow the inspector to make copies of it.

Inspection of repair parts stock

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

Return of defective repair part

15 A defective repair part of a farm implement for which the purchaser claims a replacement under a warranty shall be returned not later than the date the defective part is replaced

(a) to the dealer at the address stated in the sale agreement, or

(b) if no address is stated in the sale agreement, to the distributor or nearest dealer of the distributor,

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

Breach of warranty

16(1) The dealer who sells a farm implement, the distributor who supplies it to the dealer and the manufacturer of it are deemed to give to the purchaser of the farm implement the warranties referred to in sections 4, 5 and 7(1) and are jointly and severally liable to the purchaser to observe, keep and perform those warranties.

(2) The dealer who sells a new repair part to which section 7(3) applies and the distributor of it are deemed to give the purchaser of it the warranty referred to in section 7(3) and are jointly and severally liable to the purchaser to observe, keep and perform that warranty.

(3) A purchaser may maintain an action against

(a) any one or more of the dealer, the distributor and the manufacturer for breach of a warranty referred to in section 4, 5 or 7(1), and

(b) the dealer or distributor, or both of them, for breach of the warranty referred to in section 7(3).

Exception to breach of warranty

17 Notwithstanding section 16, if pursuant to section 4 a sale agreement states the amount of power that a farm implement is capable of

developing and, in breach of the warranty provided by section 4, that farm implement is not capable of developing that amount of power, an action may not be maintained against the dealer who was a party to that sale agreement if that dealer relied in good faith on a written representation of the distributor or manufacturer that the farm implement was capable of developing that amount of power.

Arbitration of dispute

18 Any dispute between a purchaser and a dealer, distributor or manufacturer with respect to any obligation imposed on the dealer, distributor or manufacturer by this Act may, at the option of either party, be submitted to 2 arbitrators under the *Arbitration Act* instead of being settled by action.

Powers of inspector

19(1) 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 dealer, distributor or manufacturer with respect to any obligation imposed on the dealer, distributor or manufacturer by this Act.

(2) When an inspector is acting under subsection (1), he may, during normal business hours, request the dealer, distributor or manufacturer to produce any documents and books the inspector considers necessary for the purposes of his inquiry and, on being so requested, the dealer, distributor or manufacturer shall produce the documents and books and allow the inspector to make copies of them.

Obliteration of serial number

20 No person shall

(a) obliterate, deface, alter, render illegible or remove the manufacturer's serial number on a farm implement, or

(b) buy, sell or otherwise deal in a farm implement if the manufacturer's serial number has been obliterated, defaced, altered, rendered illegible or removed or is not readily recognizable, unless a new number has been stamped on the farm implement in accordance with section 21.

New serial number

21(1) If the manufacturer's serial number on a farm implement has been obliterated, defaced, altered, rendered illegible or removed, the owner may apply to a judge of the Provincial Court to make a recommendation under subsection (3).

(2) The judge shall make an inquiry as to the ownership of the farm implement and the circumstances under which the serial number was obliterated, defaced, altered, rendered illegible or removed, and shall hear the testimony given by or on behalf of the applicant and make any other inquiries and receive any other evidence under oath that in the circumstances he considers necessary.

(3) If he is satisfied that the applicant is the owner of the farm implement and that the serial number was not obliterated, defaced, altered, rendered illegible or removed by or on behalf of the applicant for any unlawful or fraudulent purpose, the judge

(a) may recommend to the Minister, in writing signed by him, that the applicant be authorized to have a new serial number stamped on the farm implement, and

(b) shall send the recommendation to the Minister together with all papers and documents produced to him in support of the application and a summary of the evidence adduced at the inquiry.

(4) The Minister is not bound to follow the recommendation but may make any further inquiries he considers necessary and, if he is satisfied that it is proper to do so, he may issue to the applicant a certificate authorizing him to have stamped on the farm implement the new serial number stated in the certificate, subject to any conditions the Minister may prescribe.

(5) On receipt of the certificate the applicant may cause the new serial number stated in it to be stamped with steel dies on the farm implement in the manner prescribed in the certificate.

(6) When a farm implement on which a new serial number has been stamped as provided in subsection (5) is sold, the seller shall deliver to the buyer the certificate issued under subsection (4).

(7) The applicant shall pay to the judge who makes an inquiry under this section the fee prescribed in the regulations for all things done by him under this section.

Repurchase
by distributor

22(1) In this section and in section 23,

(a) “agreement” means a written or oral agreement between a dealer and a distributor that is in force on or after October 1, 1970;

(b) “notice to purchase” means the notice to purchase mentioned in subsection (2);

(c) “unused farm implement” means

(i) a farm implement that is not a used farm implement, whether or not it has received pre-delivery services,

(ii) a farm implement returned to the distributor or dealer under section 6 following the giving of a notice in respect of that farm implement under that section, unless that farm implement was sold to the dealer as a demonstrator and was invoiced and used by him as a demonstrator, and

(iii) a farm implement that is not a used farm implement and that is transferred from one dealer to another dealer with the knowledge of the distributor;

(d) “used farm implement” means

(i) a farm implement that was sold to the dealer as a demonstrator and was invoiced to him and used as a demonstrator, and

(ii) a farm implement, other than one referred to in clause (c)(ii) or (iii), that has been operated for a distance or for a period of time in excess of that required to deliver it to the dealer and to enable the dealer to service, prepare and operate it for the purposes of sale;

(e) "unused part" means a part or parts assembly that has not been used, but does not include

(i) a part that has been broken or severely damaged,

(ii) a parts assembly that is incomplete and cannot be completed at reasonable expense as provided for in subsection (9)(a),

(iii) a part or parts assembly that has been removed from a farm implement and replaced at no cost to the dealer for parts under a modification or warranty substitution program, or

(iv) a seal or hose made of rubber, a gasket made of cork or a composition of materials, a seal made of leather, a liquid chemical that has deteriorated and is of limited use, or paint.

(2) A dealer may, within 90 days after the day an agreement expires or is terminated by the dealer or the distributor for any reason, give to the distributor a written or printed notice to purchase containing a request by the dealer that the distributor purchase all the unused farm implements and unused parts obtained from the distributor.

(3) If a notice to purchase is given to the distributor in accordance with subsection (2) the distributor shall, subject to this Act and the regulations, purchase from the dealer

(a) all the unused farm implements, and

(b) all unused parts purchased as parts,

obtained by the dealer from the distributor.

(4) A distributor shall pay to a dealer

(a) for each unused farm implement as listed on the original invoice for that farm implement, an amount equal to the sum of

(i) 100% of the invoice price less any discounts allowed by the distributor, and

(ii) transportation costs paid by the dealer from the point of manufacture of the farm implement to the dealer's place of business, as evidenced by an invoice of the carrier of the farm implement,

and

(b) for each unused part, 85% of the current net price,

together with interest at the rate prescribed in the regulations on any amount payable, calculated from the 1st day of the 2nd month following the day the amount becomes due and owing.

(5) Subject to subsection (6), the amount payable by a distributor for an unused farm implement or an unused part becomes due and owing

(a) on the 91st day after the day the distributor receives the notice to purchase, or

(b) on the 30th day after the day that the distributor removes all the unused farm implements and unused parts from the possession of the dealer,

whichever day occurs first.

(6) The due date for payment under subsection (5) and the 90-day period referred to in subsection (10)(a)(ii) may be extended

(a) by agreement between the distributor and the dealer, or

(b) by an order of the Court of Queen's Bench on the application of the distributor by way of originating notice returnable on a day not later than 120 days after the day on which the distributor received the notice to purchase, if the Court is satisfied that the distributor's failure to remove all the unused farm implements and unused parts from the possession of the dealer was caused by circumstances beyond the distributor's control or by the fault of the dealer.

(7) In addition to any other remedy available to him

(a) a dealer may recover an amount owing to him under this section by a distributor by deduction from any amount he owes to the distributor, and

(b) a distributor may recover an amount owing to him by a dealer by deduction from any amount he owes to the dealer under this section.

(8) A distributor is not required to purchase any of the following:

(a) an unused part that is not clearly identified either by means of a ticket or tag or box or other container or by an imprint on the part itself;

(b) an unused part that

(i) is not listed in the distributor's current price list, and

(ii) is for use in a farm implement which was manufactured more than 10 years before the expiry or termination of the agreement;

(c) an unused part specially ordered by the dealer from the distributor on the understanding, in writing and signed by or on

behalf of the dealer, that the part was not returnable to the distributor;

(d) an unused farm implement or unused part that is subject to a lien, charge, encumbrance or mortgage in favour of a third party in an amount in excess of the amount that the distributor would otherwise be required to pay to the dealer for it under this section;

(e) an unused farm implement or unused part that has not been adequately prepared for shipment in accordance with subsection (10)(b) within the 90-day period referred to in subsection (10)(a)(ii) or any extension under subsection (6);

(f) an unused farm implement that was shipped to the dealer on or before the earlier of

(i) the date that is 24 months before the expiry or termination of the agreement, or

(ii) the commencement date of the first of 2 full seasons of use immediately before the expiry or termination of the agreement

unless

(iii) the agreement is terminated by the distributor, or

(iv) the dealer has ceased to be a dealer;

(g) an unused farm implement for which the dealer has paid the distributor in full, unless

(i) the agreement is terminated by the distributor, or

(ii) the dealer has ceased to be a dealer;

(h) an unused part in respect of which the dealer has not made reasonable use of a surplus or obsolete parts return program, if any, offered by the distributor.

(9) A distributor may deduct from the amount he is required to pay to the dealer under this section

(a) an amount equal to the cost to the distributor of supplying and installing a replacement for any missing or damaged part at the current net price, including a reasonable charge for necessary labour for the installation of the part, and

(b) the amount of any liens, charges, encumbrances or mortgages in favour of third parties to which the unused farm implements or unused part or parts are subject.

(10) The dealer

(a) is responsible for the care and custody of an unused farm implement or unused part that the distributor is required to purchase until

- (i) the day the distributor removes it from the dealer's possession at his place of business,
- (ii) the 91st day after the day the distributor receives the notice to purchase from the dealer, or
- (iii) if the time period in subclause (ii) has been extended, the day the extension expires,

whichever day first occurs, and after that day the distributor is responsible;

(b) is responsible for doing the acts necessary

- (i) to adequately prepare each unused farm implement so that it is acceptable by a carrier for shipment from the dealer's place of business, and
- (ii) to adequately package, crate or otherwise prepare all unused parts so that they are acceptable by a carrier for shipment from the dealer's place of business.

(11) The *Bulk Sales Act* does not apply to a sale to a distributor acting under this section.

(12) This section applies to a distributor and a dealer notwithstanding anything in an agreement or any other contract or arrangement between the distributor and dealer, except that if a provision of the agreement is more advantageous to the dealer than the provision of this section pertaining to the same subject matter, the provision of the agreement applies.

(13) Any waiver or release given by a dealer of his rights under this section is void.

Distributor to
furnish
information

23 A distributor shall, in accordance with a request of the Minister, furnish the Minister with

- (a) a copy of each or any agreement or franchise agreement in effect between him and a dealer;
- (b) particulars of each or any unwritten agreement with any or all of his dealers;
- (c) a copy of a written agreement or particulars of an unwritten agreement with any or all of his dealers with respect to the return of farm implements or parts to him.

Sale of farm
implements

24(1) A dealer shall not sell or offer for sale a new farm implement unless the farm implement was obtained by the dealer from or through a distributor licensed under this Act.

(2) A distributor shall not

- (a) sell a farm implement to any person except a dealer licensed under this Act, or

(b) supply a farm implement to any person except a dealer licensed under this Act or another person authorized by a dealer to take delivery of a farm implement.

Licensing and
bonding

25(1) No person shall

(a) carry on business as a dealer unless he is the holder of a dealer's licence,

(b) carry on business as a lessor of farm implements unless he is the holder of a dealer's licence, or

(c) carry on business as a distributor unless he is the holder of a distributor's licence

issued to him under this Act.

(2) A licence shall not be issued under this Act unless the applicant furnishes to the Minister a bond in favour of the Crown in right of Alberta

(a) in the form prescribed in the regulations, and

(b) in an amount prescribed by the Minister.

(3) The Minister may at any time require a licensee to furnish a bond in a greater amount than that already furnished under subsection (2).

(4) When a bond furnished under this section is forfeited, the proceeds shall be used to the benefit of persons who have claims against the licensee that are accepted by the Minister in accordance with the terms of the bond and shall be paid out by the surety on the direction of the Minister in accordance with the terms of the bond.

Cancellation and
suspension

26(1) The Minister may cancel or suspend a licence issued under this Act if

(a) it is in the public interest to do so, or

(b) the licensee contravenes this Act or the regulations.

(2) When a licensee

(a) applies for a renewal of a licence for the succeeding year before his existing licence expires, and

(b) the application is accompanied by the prescribed documents and fees,

the existing licence remains in force until the new licence is issued or until the Minister notifies the licensee that he will not be issued a new licence.

Appeal from
cancellation,
suspension or
refusal of licence

27(1) A person

- (a) who has been refused a licence, or
- (b) whose licence has been cancelled or suspended

may appeal the refusal, cancellation or suspension by serving the Minister with a notice of appeal within 30 days of being notified in writing of the refusal, cancellation or suspension.

(2) The Minister shall, within 30 days of being served with a notice of appeal under subsection (1), appoint an appeal board to hear the appeal.

(3) The Minister may set the time within which the appeal board is to hear an appeal and render a decision and may extend that time.

(4) An appeal board that hears an appeal under this section may, by order, either

- (a) confirm the refusal, cancellation or suspension,
- (b) direct that a licence be issued,
- (c) reinstate a cancelled licence,
- (d) substitute a suspension for a cancellation or a cancellation for a suspension, or
- (e) remove or vary a suspension.

(5) An appeal board appointed under this section shall consist of the following members:

- (a) a person who is designated as chairman of the appeal board by the Minister, and
- (b) not less than 2 and not more than 4 other persons who are persons licensed under this Act.

(6) The Minister may pay those fees and reasonable living and travelling expenses that he considers proper to the members of an appeal board.

(7) The Minister or a person whose appeal is heard by an appeal board may appeal the decision of the appeal board by applying by originating notice to the Court of Queen's Bench within 30 days of being notified in writing of the decision, and the Court may make any order that an appeal board may make under subsection (4).

Application
pending appeal

28(1) A person whose licence has been cancelled or suspended and who has, in respect of that cancellation or suspension, commenced an appeal under section 27, may apply by originating notice to the Court of Queen's Bench for an order reinstating the cancelled licence or removing the suspension, as the case may be, pending the determination of the appeal.

(2) The Court may hear an application made under this section not less than 2 days after the originating notice has been served on the Minister.

(3) On hearing an application made under this section, the Court may, subject to any conditions it considers proper, reinstate the cancelled licence or remove the suspension, as the case may be, pending the determination of the appeal under section 27.

Regulations

29 The Lieutenant Governor in Council may make regulations

(a) governing applications for dealers' licences and distributors' licences and renewals and the requirements to be met by the applicants;

(b) prescribing the fees to be paid for the issue or renewal of a licence;

(c) designating the persons who may issue licences on behalf of the Minister;

(d) governing the issue or renewal of licences and the duration of licences;

(e) prescribing the duties of and services to be performed by holders of licences;

(f) prescribing the duties of the holder of a licence that has been suspended or cancelled or has terminated and not been renewed;

(g) prescribing forms of bonds for the purposes of section 25;

(h) requiring distributors to file with the Minister or a person designated in writing by him statements showing

(i) the names and addresses of all dealers who obtain or are likely to obtain farm implements or parts from or through the distributor, and

(ii) the names and addresses of all manufacturers represented by the distributor,

at the times and in the manner set out in the regulations;

(i) authorizing the Minister to require any distributor to furnish to the Minister on request

(i) information relating to the farm implements manufactured or supplied by the distributor,

(ii) lists, by category or group, of parts maintained in stock in Alberta for the distributor's farm implements,

(iii) a statement or true copy of the current published suggested retail prices for its farm implements and parts, and

(iv) any other specified information pertaining to the distributor's farm implement business in Alberta;

(j) prescribing the rate of interest for the purposes of section 22(4);

(k) governing the form of sale agreements of farm implements;

(l) governing the contents of sale agreements of farm implements;

(m) prescribing the fee payable to a judge in respect of an application under section 21;

(n) governing any matter in connection with or incidental to section 22 or 23.

Service of notice **30(1)** Any notice required to be given under this Act or the regulations by a person to a dealer or distributor is sufficiently given if delivered personally to the place of business of the dealer or distributor or sent by registered mail to the latest address of that dealer or distributor according to the records of the Minister.

(2) Notwithstanding subsection (1), a notice to a corporation may be given in the manner permitted under section 308 of the *Companies Act* or section 247 of the *Business Corporations Act*, as the case may be.

Offence and penalty **31(1)** A person who contravenes this Act or the regulations is guilty of an offence and liable to a fine of not more than \$2000.

(2) A prosecution for a contravention of this Act or the regulations may be commenced within 1 year after the date on which the offence is alleged to have been committed, but not thereafter.

Staff **32** In accordance with the *Public Service Act* there may be appointed any inspectors and other employees required for the administration of this Act.

Transitional **33** A licence issued under a predecessor of this Act that is valid and subsisting on the date this Act comes into force is deemed to have been issued under this Act.

RSA 1980
cF-4 **34** *The Farm Implement Act, chapter F-4 of the Revised Statutes of Alberta 1980, is repealed.*

Coming into force **35** This Act comes into force on Proclamation.