

ONE HUNDRED NINTH LEGISLATURE - SECOND SESSION - 2026
COMMITTEE STATEMENT
LB875

Hearing Date: Monday February 02, 2026
Committee On: Banking, Commerce and Insurance
Introducer: Hallstrom
One Liner: Amend the Equipment Business Regulation Act to change provisions relating to dealer agreements and the return of surplus repair parts

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Jacobson, Bostar, Dungan, Hallstrom, Hardin, Riepe, von Gillern, Wordekemper
Nay:
Absent:
Present Not Voting:

Testimony:

Proponents:

Senator Bob Hallstrom
Phil Erdman

Representing:

Opening Presenter
Iowa Nebraska Equipment Dealers Association

Opponents:

Representing:

Neutral:

Representing:

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

LB 875 amends the Equipment Business Regulation Act (Neb. Rev. Stat. §§ 87-701 to 87-711) to strengthen dealer protections by closing contractual loopholes. Section 1 of the bill prohibits suppliers from including clauses that waive compliance with the Act or mandate that legal disputes be resolved in out-of-state forums or by other state laws. Section 2 of the bill eliminates the waiver loophole for inventory returns, ensuring that a dealer's right to return surplus repair parts for credit is mandatory and cannot be signed away by individuals or groups.

Explanation of amendments:

AM 1919 amends the bill by inserting amended section 87-709 as section 3 to the bill, clarifying that a term of a dealer agreement which is inconsistent with the terms of the Equipment Business Regulation Act is, in addition to being void and unenforceable, also contrary to public policy.



Mike Jacobson, Chairperson



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