

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 875**

Introduced by Hallstrom, 1.

Read first time January 08, 2026

Committee: Banking, Commerce and Insurance

1 A BILL FOR AN ACT relating to trade practices; to amend sections 87-704  
2 and 87-706, Reissue Revised Statutes of Nebraska; to amend the  
3 Equipment Business Regulation Act; to prohibit certain provisions in  
4 dealer agreements as prescribed; to remove authorization for a  
5 dealer to waive an opportunity to return surplus repair parts as  
6 prescribed; and to repeal the original sections.

7 Be it enacted by the people of the State of Nebraska,

1       **Section 1.** Section 87-704, Reissue Revised Statutes of Nebraska, is  
2       amended to read:

3           87-704 It shall be a violation of the Equipment Business Regulation  
4       Act for a supplier:

5           (1) To require a dealer to accept delivery of equipment, repair  
6       parts, or attachments that the dealer has not voluntarily ordered;

7           (2) To require a dealer to order or accept delivery of equipment  
8       with special features or attachments not included in the base list price  
9       of such equipment as publicly advertised by the supplier;

10          (3) To require a dealer to enter into any agreement, whether written  
11       or oral, amendatory or supplementary to an existing dealer agreement with  
12       the supplier unless such amendatory or supplementary agreement is imposed  
13       on similarly situated dealers;

14          (4) To take action terminating, canceling, failing to renew, or  
15       substantially changing the competitive circumstances intended by the  
16       dealer agreement due to the results of conditions beyond the dealer's  
17       control, including drought, flood, labor disputes, or economic recession.  
18       This subdivision shall not apply if the dealer is in default of a  
19       security agreement in effect with the supplier; and

20          (5) To condition the renewal or extension of a dealer agreement on  
21       (a) the dealer's substantial renovation of its place of business or the  
22       construction, purchase, acquisition, or rental of a new place of business  
23       by the dealer unless the supplier advises the dealer in writing of its  
24       demand for such renovation, construction, purchase, acquisition, or  
25       rental within a reasonable time prior to the effective date of the  
26       proposed renewal or extension, but in no case less than one year prior to  
27       such date, or (b) capital construction exceeding the terms of the dealer  
28       agreement in force and effect on May 2, 1991; -

29          (6) To include any condition, stipulation, or provision in any  
30       dealer agreement purporting to waive compliance with any provision of the  
31       Equipment Business Regulation Act or any other provision of state law

1 applying to such agreements; or

2 (7) To include any provision in any dealer agreement restricting  
3 jurisdiction or venue to a forum outside this state or requiring the  
4 application of the laws of another state to disputes arising under the  
5 agreement.

6 **Sec. 2.** Section 87-706, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 87-706 (1) A supplier shall provide for the availability of repair  
9 parts throughout the reasonable useful life of any equipment sold.

10 (2) A supplier shall at least annually provide dealers an  
11 opportunity to return surplus repair parts for credit without  
12 restrictions as follows:

13 (a)(i) The supplier may notify the dealers of a surplus parts return  
14 program for a time period of at least sixty days in duration during which  
15 dealers may submit a list of their surplus parts and return the parts to  
16 the supplier; or

17 (ii) If twelve months have elapsed and the supplier has not notified  
18 a dealer of a surplus parts return program, the dealer may submit to the  
19 supplier a request to return surplus parts and the supplier shall allow  
20 the dealer to return the parts within thirty days after receipt of the  
21 request;

22 (b) Subject to the other provisions of this section, a supplier  
23 shall allow a dealer to return parts with a dollar value equal to at  
24 least six percent of the total dollar value of parts purchased by the  
25 dealer from the supplier or the supplier's predecessor in interest during  
26 the twelve-month period immediately preceding either the notification to  
27 the dealer of the supplier's surplus parts return program or the month  
28 the dealer's return request is made, whichever is applicable. A dealer  
29 may elect to return a dollar value of parts equal to less than six  
30 percent of such total dollar value of parts purchased;

31 (c) An obsolete or superseded part may not be returned, except that

1 any part listed in the supplier's current list of returnable parts and  
2 any superseded part that has not been the subject of a surplus parts  
3 return program as of the date of notification to the dealer by the  
4 supplier of the current surplus parts return program or the date of the  
5 dealer's request to return surplus parts, whichever is applicable, shall  
6 be eligible for return;

7 (d) To be eligible for return, parts must be in new and unused  
8 condition and must have been purchased by the dealer from the supplier to  
9 whom they are returned or the supplier's predecessor in interest;

10 (e) The supplier shall allow credit for a returned part of at least  
11 eighty-five percent of the current price of the part as listed in the  
12 supplier's effective price list or catalog at the date of the  
13 notification to the dealer by the supplier of the surplus parts return  
14 program or the date of the dealer's request to return surplus parts,  
15 whichever is applicable, or, if there is no effective price list or  
16 catalog, in the supplier's invoices;

17 (f) The supplier shall issue credit to the dealer within ninety days  
18 after receipt of the parts returned by the dealer;

19 (g) The dealer shall be presumed to have purchased the returned  
20 parts from the supplier or the supplier's predecessor in interest, and  
21 the burden shall be on the supplier to prove otherwise;

22 (h) The provisions of this section shall be supplemental to any  
23 agreement between the dealer and the supplier covering the return of  
24 parts which provides the dealer with greater protection;

25 (i) Nothing in this section shall be construed to affect the  
26 existence or enforcement of a security interest which any person may have  
27 in the parts of the dealer; and

28 (j) Nothing in this section shall preclude a credit for returned  
29 parts which is greater than the total amount authorized by this section.

30 ~~(3) The annual parts return provided for in subsection (2) of this~~  
31 ~~section may be waived by a dealer. If a majority of dealers from a single~~

1 ~~supplier choose to waive the provisions of such subsection, the supplier~~  
2 ~~shall be exempt from such subsection.~~

3 **Sec. 3.** Original sections 87-704 and 87-706, Reissue Revised  
4 Statutes of Nebraska, are repealed.