



Kansas Grain & Feed Association
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To: Senate Judiciary Committee
From: Randy E. Stookey, General Counsel, Kansas Grain & Feed Association and Kansas Agribusiness Retailers Association; and Leslie Kaufman, Kansas Cooperative Council

Re: Joint Testimony on House Bill 2629 - Product Liability

Chairman Owens and members of the Committee, thank you for allowing me the opportunity to comment on HB 2629. Our association membership represents hundreds of diverse agricultural businesses in Kansas, many of whom are involved in the agricultural retail business.

A recent Kansas Supreme Court decision unfortunately creates a new product liability cause of action against sellers of used equipment and products in Kansas. The decision was primarily based on the fact that Kansas product liability act does not currently indemnify sellers of used products from strict liability law suits, as it does for sellers of new products.

This decision will result in new costs placed on sellers of quality used agriculture equipment in Kansas. The commercial market for quality used farming equipment has always been vibrant in this state. The Court's decision will likely result in an increase in the costs and a reduction in the availability of this equipment, which will only serve to harm our Kansas ag-industry. As a result, Kansas farmers may soon find it necessary to drive to retailers in neighboring states in order to purchase this equipment.

HB 2629 adds straight forward language to K.S.A. 60-3306 which prohibits strict liability actions against retailers of used products if those products are sold in substantially the same condition as when they were acquired for resale. This removes liability from a retailer of a used product unless the retailer has somehow manipulated the condition of that product before resale, or otherwise intentionally failed to disclose a known defect in the product.

Our ag-industry members strive to remain viable and competitive in an ever-changing marketplace. Protection from product liability suits is vital for these retailers to be able to continue doing business in Kansas. Without the protections afforded by HB 2629, the Kansas ag-industry will suffer exposure to unnecessary and harmful litigation that could eventually cripple the Kansas commercial market for quality used farming equipment.

We therefore stand in support of HB 2629 which will allow our members to continue providing quality used equipment and products to Kansas farmers without the threat of an unnecessary product liability suit. We encourage the committee to act favorably on HB 2629. I thank you for your consideration and will stand for questions at the appropriate time.

