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## WLF Asks High Court to Review New Hampshire's Retroactive Evisceration of Contractual Rights

*(Deere & Co. v. State of New Hampshire)*

**“The principal purpose of the Contract Clause is to permit individuals to establish in advance what costs they will incur in a given business venture. That purpose would be completely frustrated if special-interest dealers were allowed to convince state legislatures to impose new burdens and costs, which manufacturers did not assume when bargaining for their contracts.”**

**—Cory Andrews, Senior Litigation Counsel**

WASHINGTON, DC—Washington Legal Foundation (WLF) today asked the U.S. Supreme Court to review (and ultimately overturn) a decision by the New Hampshire Supreme Court that allows the New Hampshire legislature to retroactively extend the reach of the State's automobile-dealer law to the heavy-equipment industry, thereby upending settled contractual rights and obligations.

In its *amicus* brief urging certiorari, WLF argues that retroactive application of New Hampshire's revised “Dealer Bill of Rights” would violate the Contract Clause of the U.S. Constitution, which provides that “No State shall ... pass any ... Law impairing the Obligation of Contracts.” Because the statute at issue is a paradigmatic special-interest law that purports to “level the playing field” between manufacturers and dealers, New Hampshire's interest is insufficient to justify the retroactive impairment of contracts. WLF's brief, co-filed with the National Association of Manufacturers, Association of Equipment Manufacturers, and Farm Equipment Manufacturers Association, was prepared with the substantial assistance of James McGrath and Allison Eggers of Seyfarth Shaw LLP.

The case arises from the New Hampshire legislature's 2013 amendment to its existing automobile-dealer franchise law, which deemed heavy equipment such as tractors and excavators to be “motor vehicles.” The law retroactively voided all existing contracts between heavy-equipment manufacturers and their dealers—on pain of criminal penalty for any attempt to enforce certain contractual provisions. The New Hampshire Supreme Court upheld the retroactive evisceration of those contracts against a Contract Clause challenge, holding that it was reasonably necessary to advance a significant and legitimate public purpose—namely, “leveling the playing field” in private dealings between equipment dealers and manufacturers.

Upon filing its brief, WLF issued the following statement by Senior Litigation Counsel Cory Andrews: “The principal purpose of the Contract Clause is to permit individuals to establish in advance what costs they will incur in a given business venture. That purpose would be completely frustrated if special-interest dealers were allowed to convince state legislatures to impose new burdens and costs, which manufacturers did not assume when bargaining for their contracts.”

*WLF is a national, public-interest law firm and policy center that regularly litigates to ensure that the government does not deprive citizens of their contractual and private property rights.*