



General Assembly

Substitute Bill No. 5652

January Session, 2005

* HB05652GL 031505 *

AN ACT CONCERNING WARRANTY WORK PERFORMED BY DEALERS OF CERTAIN MACHINERY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) As used in this section and
2 section 2 of this act:

3 (1) "Equipment" means machines designed for or adapted and used
4 for lawn and garden purposes including snow blowers, lawn tractors,
5 lawn mowers, weed trimmers, chain saws and other similar
6 equipment;

7 (2) "Supplier" means any manufacturer, distributor, wholesaler,
8 person, partnership, company or branch, division, agent officer or
9 representative thereof that sells or distributes equipment;

10 (3) "Dealer" means any person, partnership, company association or
11 other business entity engaged primarily in the business of selling,
12 retailing or leasing and servicing of equipment; and

13 (4) "Dealer agreement" means a contract, oral or written, expressed
14 or implied between a supplier and a dealer that provides the dealer
15 with the right to sell, distribute or service the supplier's equipment.

16 Sec. 2. (NEW) (*Effective from passage*) (a) Any warranty work
17 performed by a dealer on equipment for a supplier pursuant to a

18 dealer agreement shall be compensated at the lesser of the actual
19 amount of time required by the dealer to complete such work or the
20 reasonable and customary amount of time required by the dealer to
21 complete such work as expressed in hours and fractions of hours
22 multiplied by the hourly labor rate such dealer charges to the general
23 public for such work. Such hourly labor rate shall be made known to
24 such supplier prior to any such work.

25 (b) Any parts used by a dealer in performing warranty work on
26 equipment for a supplier pursuant to a dealer agreement shall be
27 compensated based upon the dealer's net price for such part plus
28 fifteen per cent of such net price or pursuant to such supplier's current
29 reimbursement program, whichever is greater.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section

GL *Joint Favorable Subst.*