OLR Bill Analysis
HB 5267

AN ACT CONCERNING FAIR REIMBURSEMENT TO RETAIL DEALERS OF POWER EQUIPMENT.

SUMMARY
This bill requires that for farm, forestry, yard, and garden equipment warranty claims, suppliers must pay the dealer the (1) current net price plus 18% for any parts and (2) hourly posted labor rate the dealer charges consumers for nonwarranty repair work for service, provided the supplier received prior notice of the rate. By law, for these equipment warranties under a dealer agreement with a supplier, the supplier must pay a warranty claim made for parts and service within 30 days after it receives and approves the claim.

Under the bill, the wholesale price on which a dealer’s markup reimbursement is based for any parts used to perform a warranty, recall, or campaign, must at least equal the highest wholesale price listed in the supplier’s wholesale price catalogue during the 12 months before the start of the recall or campaign.

The bill also prohibits a supplier from denying a warranty or charging back a claim following a timely audit based solely on the dealer’s failure to comply with a claim processing procedure, clerical error, or other administrative technicality, as long as it does not challenge the claim’s legitimacy. Rather, the supplier must allow the dealer to resubmit a denied claim based on reasonable supplier guidelines within 30 days after the initial denial or charge-back.

EFFECTIVE DATE: January 1, 2020

COMMITTEE ACTION
General Law Committee
Joint Favorable
Yea 18 Nay 0 (03/25/2019)