

General Law Committee JOINT FAVORABLE REPORT

Bill No.: SB-264

AN ACT CONCERNING FAIR REIMBURSEMENT TO RETAIL DEALERS OF

Title: POWER EQUIPMENT.

Vote Date: 2/2/2021

Vote Action: Joint Favorable

PH Date: 1/28/2021

File No.: 7

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

SPONSORS OF BILL:

General Law Committee

Co-Sponsor: Representative William A. Petit, 22nd District

REASONS FOR BILL:

This bill would allow retail dealers of power equipment to be compensated fairly for any repairs that are done under a warranty. When dealers are financially sound their work is done more effectively under a manufacturer's warranty obligation.

This bill was originally introduced in the fall of 2017 by Rep. Linda Orange. There were negotiations to update the language, which was done with General Law Committee chairs and ranking members and AEM and Honda of America. In 2019, HB5267 was passed out of committee and the House of Representatives. In 2020, SB253 was passed out of committee, however session was interrupted by Covid-19.

RESPONSE FROM ADMINISTRATION/AGENCY:

None

NATURE AND SOURCES OF SUPPORT:

Eideberg, Johan, Senior Vice President, Government & Industry Relations, Association of Equipment Manufacturers

Equipment industry contributes \$1.4 billion to the state's GDP every year. Manufacturer warranties are a marketing tool that provide dealers to strengthen relationships with customers. Warranty contract reimbursement vary, but the manufacturer and dealers agree,

it should balance the responsibilities of the manufacturer and dealer to be successful. AEM does not object to SB264.

Wentz, Tim, Field Director, Northeast Equipment Association, Inc.

Dealers are independent businesspeople and understand their priority is to serve their customers. Fair and reasonable compensation of warranty repairs by an authorized dealer will benefit consumers and the state's economy. A sound dealer network can ensure timely and effective performance of a manufacturers warranty.

NATURE AND SOURCES OF OPPOSITION:

None

Reported by: Bonnie Gray, Asst. Clerk

Date: 02/19/2021