HOUSE SUMMARY OF SENATE AMENDMENTS

House Bill No. 133 by Representative Anders

FARMING/EQUIPMENT: Provides relative to warranty claims submitted to a supplier by a retailer

Synopsis of Senate Amendments

1. Senate Floor Amendment deletes the committee amendment adopted by the Senate Committee on Commerce, Consumer Protection, and International Affairs limiting the scope of the act to warranty agreements executed after the effective date of the act.

2. Senate Floor Amendment deletes the committee amendment adopted by the Senate Committee on Commerce, Consumer Protection, and International Affairs changing the effective date of the act from upon signature of the governor or lapse of time for gubernatorial action to August 15, 2011.

Digest of Bill as Finally Passed by Senate

Proposed law requires warranty claims submitted to a supplier by a dealer for payment under a warranty agreement to either be approved or disapproved within 30 days of receipt by the supplier.

Proposed law requires all claims for payment to be paid within 30 days of their approval.

Proposed law requires the supplier, when any claim is disapproved, to notify the dealer within 30 days stating the specific grounds upon which the disapproval is based.

Proposed law provides that if a claim is not specifically disapproved within 30 days of receipt, it shall be deemed approved and payment by the supplier shall be made within 30 days.

Proposed law provides that if after termination of a contract, the dealer submits a claim to the supplier for warranty work performed prior to the effective date of the termination, the supplier shall accept or reject the claim within 30 days of receipt.

Proposed law provides that warranty work performed by the dealer shall be compensated in accordance with the reasonable and customary amount of time required to complete the work, expressed in hours and fractions thereof, multiplied by the dealer's established customer hourly retail labor rate, which shall have previously been made known to the supplier.

Proposed law provides that expenses expressly excluded under the supplier's warranty to the customer shall not be included nor required to be paid on requests for compensation from the dealer for warranty work performed.

Proposed law requires all parts used by the dealer in performing warranty work to be paid to the dealer in the amount equal to the dealer's net price for parts used, plus a minimum of 15%. The percentage additive is to reimburse the dealer for reasonable costs of doing business in performing warranty service on the supplier's behalf, including but not limited to freight and handling costs incurred.

Proposed law provides that the supplier has the right to adjust for errors discovered during audit and, if necessary, to adjust claims paid in error.

Proposed law provides that the dealer shall have the right to accept the manufacturer's reimbursement terms and conditions in lieu of the provisions of proposed law.

Proposed law provides that, for the purposes of proposed law, "dealer" shall mean any farm equipment dealer, heavy industrial equipment dealer, construction equipment dealer, material handling equipment dealer, utility equipment dealer, engines equipment dealer, lawn and garden equipment dealer, or retail equipment distributor dealer.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 51:501)