

1 H.58

2 Introduced by Representatives Yantachka of Charlotte and Bouchard of

3 Colchester

4 Referred to Committee on

5 Date:

6 Subject: Commerce and trade; machinery dealerships; warranty and

7 predelivery obligations

8 Statement of purpose of bill as introduced: This bill proposes to clarify the

9 section of Vermont law on warranty obligations of manufacturers, suppliers,

10 and dealers with respect to equipment and machinery dealerships.

11 An act relating to the warranty obligations of suppliers and machinery  
12 dealerships

13 It is hereby enacted by the General Assembly of the State of Vermont:

14 Sec. 1. 9 V.S.A. chapter 107 is amended to read:

15 CHAPTER 107. EQUIPMENT AND MACHINERY DEALERSHIPS

16 \* \* \*

17 Sec. 2. 9 V.S.A. § 4071 is amended to read:

18 § 4071. DEFINITIONS

19 As used in this chapter:

20 \* \* \*



1 of compensation to be paid the dealer for parts, work, and service in  
2 connection with them, and the time allowance for the performance of the work  
3 and service. If the dealer does not comply with excessive obligations placed  
4 upon the dealer by the supplier pursuant to this section, the supplier is not  
5 relieved from compliance with the requirements of this chapter.

6 (b) A schedule of compensation shall include reasonable compensation for  
7 diagnostic work, as well as for repair service, parts, and labor. Time  
8 allowances for the diagnosis and performance of predelivery and warranty  
9 service shall be reasonable and adequate for the work to be performed. The  
10 hourly rate paid to a dealer shall not be less than 80 percent of the rate charged  
11 by the dealer to customers for nonwarranty service and repairs. Each supplier  
12 shall compensate each of its dealers for parts used to fulfill warranty,  
13 predelivery, and recall obligations of repair and servicing at rates not less than  
14 80 percent of the rates charged by the dealer to its retail, wholesale, or  
15 commercial customers for like parts for nonwarranty work and, at a minimum,  
16 the manufacturer's suggested list price (MSLP).

17 (c) It is a violation of this section for any supplier to fail to perform any  
18 warranty obligations or to fail to include in written notices of factory recalls to  
19 machinery owners and dealers the expected date by which necessary parts and  
20 equipment will be available to dealers for the correction of such defects, or to

1 fail to compensate any of its dealers in this State for repairs required by a  
2 recall.

3 (d) Whenever a supplier and a dealer enter into an agreement providing  
4 consumer warranties, the supplier shall pay any warranty claim made for  
5 warranty parts and service within 30 days after its receipt and approval. The  
6 supplier shall approve or disapprove a warranty claim within 30 days after its  
7 receipt. If a claim is not specifically disapproved in writing within 30 days  
8 after its receipt, it shall be deemed to be approved and payment shall be made  
9 by the supplier within 30 days after its receipt.

10 Sec. 4. EFFECTIVE DATE

11 This act shall take effect on July 1, 2013.