

2010 -- S 2388

LC01543

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO MOTOR AND OTHER VEHICLES - REGULATION OF BUSINESS PRACTICES AMONG MOTOR VEHICLE MANUFACTURERS, DISTRIBUTORS, AND DEALERS

Introduced By: Senators Ruggerio, Walaska, and Ciccone

Date Introduced: February 11, 2010

Referred To: Senate Constitutional & Regulatory Issues

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 31-5.1-6 of the General Laws in Chapter 31-5.1 entitled
2 "Regulation of Business Practices Among Motor Vehicle Manufacturers, Distributors, and
3 Dealers" is hereby amended to read as follows:

4 **31-5.1-6. Warranty agreement.** -- (a) Every manufacturer shall properly fulfill any
5 warranty agreement and adequately and fairly compensate each of its motor vehicle dealers for
6 labor and parts. In no event shall that compensation fail to include reasonable compensation for
7 diagnostic work, as well as repair service and labor. All claims made by motor vehicle dealers for
8 labor and parts shall be paid in accord with the provisions of subsection (b) of this section. Any
9 delay in payment after approval or disapproval that is caused by conditions beyond the reasonable
10 control of the manufacturer shall not constitute a violation of this section. Reimbursement for
11 warranty repairs or diagnostic work shall be at the dealer retail rate in effect at the time the
12 warranty repair or diagnostic work is performed.

13 (b) A claim filed under this section by a dealer with a manufacturer or distributor may be
14 submitted within one year after the performance of services and shall be:

15 (1) In the manner and form prescribed by the manufacturer or distributor; and

16 (2) (i) Approved or disapproved within (30) days of receipt.

17 (ii) A claim not approved or disapproved within thirty (30) days of receipt shall be
18 deemed approved.

1 (iii) Payment of or credit issued on a claim filed under this section shall be made within
2 thirty (30) days of approval.

3 (3) (i) If a claim filed under this section is shown by the manufacturer or distributor to be
4 false or unsubstantiated, the manufacturer or distributor may charge back the claim within twelve
5 (12) months from the date the claim was paid or credit issued.

6 (ii) This subdivision does not limit the right of a manufacturer or distributor to charge
7 back for any claim that is proven to be fraudulent.

8 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO MOTOR AND OTHER VEHICLES - REGULATION OF BUSINESS
PRACTICES AMONG MOTOR VEHICLE MANUFACTURERS, DISTRIBUTORS, AND
DEALERS

- 1 This act would allow a claim to be filed by a dealer with a manufacturer or distributor
- 2 within one year after the performance of services.
- 3 This act would take effect upon passage.

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