

House Bill 2758

Sponsored by COMMITTEE ON BUSINESS AND LABOR

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Changes reimbursement to recreational vehicle dealer for warranty service from 130 percent to 140 percent of dealer's cost of warranty parts.

Requires recreational vehicle warrantor to accept dealer warranty service claims and compensate dealers for warranty service performed on component or accessory that warrantor installs or includes with recreational vehicle.

A BILL FOR AN ACT

1
2 Relating to recreational vehicles; creating new provisions; and amending ORS 650.390.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 650.390 is amended to read:

5 650.390. (1) A warrantor shall, for a warranty provided by the warrantor:

6 (a) Provide reasonable compensation to a dealer for diagnostic and repair services;

7 (b) Allow a dealer reasonable periods for completing diagnostic and repair services;

8 (c) Inform a dealer in writing of:

9 (A) The compensation that the warrantor will pay the dealer to perform warranty service; and

10 (B) The time period that the warrantor will allow the dealer to perform warranty service;

11 (d) Reimburse the dealer an amount equal to at least [*130*] **140** percent of the dealer's cost of
12 warranty parts, plus the cost to the dealer to return warranty parts to the supplier of the parts;

13 (e) Approve or disapprove a dealer's warranty service claim within 30 days of the dealer's sub-
14 mission of the claim to the warrantor; and

15 (f) Fulfill all warranty obligations.

16 **(2) A warrantor that manufactures recreational vehicles shall:**

17 **(a) Accept a warranty service claim from a dealer for a component or accessory that the**
18 **warrantor installed or included with the recreational vehicle, except for a chassis that has**
19 **a warranty from the chassis manufacturer;**

20 **(b) Compensate the dealer in accordance with the provisions of this section for warranty**
21 **service performed on the component or accessory according to the warrantor's written pol-**
22 **icies and procedures for warranty service on the recreational vehicle, which may include**
23 **specific policies and procedures for the component or accessory; and**

24 **(c) Seek any reimbursement for expenses that the warrantor incurred in compensating**
25 **the dealer for warranty service on the component or accessory from the warrantor or**
26 **manufacturer of the component or accessory.**

27 [*2*] **(3)** In determining the dealer's compensation for warranty service, the warrantor shall:

28 (a) Consider the prevailing rate for labor charged by other dealers in the communities served
29 by the dealer's area of sales responsibility; and

30 (b) Pay the dealer a rate for labor that is not less than the reasonable rate the dealer charges

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 to consumers for nonwarranty service.

2 [(3)] (4) A dealer shall submit a warranty service claim to the warrantor within 30 days of the
3 dealer's completion of the warranty service.

4 [(4)] (5) A dealer shall notify the warrantor if the dealer is unable to perform a warranty ser-
5 vice.

6 [(5)] (6) If the warrantor approves a dealer's warranty service claim or fails to disapprove the
7 claim within 30 days after submission, the warrantor shall pay the warranty service claim within
8 45 days of the submission of the claim.

9 [(6)] (7) A warrantor may not disapprove a dealer's warranty service claim without good cause.

10 [(7)] (8) A warrantor may disapprove a dealer's warranty service claim if the dealer:

11 (a) Failed to comply in a material respect with the warrantor's written policies and procedures
12 for the performance of warranty service;

13 (b) Failed to properly account for the dealer's warranty service; or

14 (c) Misrepresented warranty service performed or parts used.

15 [(8)] (9) A grantor or warrantor may not:

16 (a) Misrepresent a dealer's obligation to perform or pay for warranty service; or

17 (b) Require a dealer to provide a warranty to a consumer for a recreational vehicle or other
18 product.

19 [(9)] (10) A warrantor may audit a dealer's records of a claim for warranty service for a period
20 of one year from the date the dealer submitted the claim. If, during an audit, the warrantor discov-
21 ers a fraudulent claim, the warrantor may extend the audit period for up to one additional year.

22 **SECTION 2. The amendments to ORS 650.390 by section 1 of this 2007 Act apply to all**
23 **warrantors operating and all warranties provided on or after the effective date of this 2007**
24 **Act.**