

Senate Study Bill 2167

Bill Text

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1 1 Section 1. NEW SECTION. 322H.1 DEFINITIONS.
1 2 As used in this chapter, unless a different meaning appears
1 3 from the context:
1 4 1. "Completed vessel" means a vessel which does not
1 5 require any additional manufacturing operations to perform its
1 6 intended function except minor finishing operations or the
1 7 addition of readily attachable equipment or components.
1 8 2. "Distributor" means a person, resident or nonresident,
1 9 who in whole or in part, sells or distributes vessels to
1 10 vessel dealers, or who maintains distributor representatives.
1 11 3. "Manufacturer" means any person engaged in the business
1 12 of fabricating or assembling vessels. "Manufacturer" does not
1 13 include a person who converts, modifies, or alters a completed
1 14 vessel manufactured by another person.
1 15 4. "Vessel" means every description of watercraft, other
1 16 than a seaplane, used or capable of being used as a means of
1 17 transportation on water or ice. Ice boats are watercraft.
1 18 "Vessel" includes the hull, motor, engine, component parts,
1 19 spars, sails, and accessories of a vessel.
1 20 5. "Watercraft" means any vessel which through the
1 21 buoyance of water floats upon the water and is capable of
1 22 carrying one or more persons.
1 23 Sec. 2. NEW SECTION. 322H.2 WARRANTY WORK COMPENSATION.
1 24 1. When a vessel dealer makes repairs to any vessel
1 25 pursuant to any warranty provision, the dealer shall receive
1 26 reasonable compensation from the manufacturer or distributor
1 27 giving the warranty. Reasonable compensation includes the
1 28 following:
1 29 a. The cost of labor at a rate no less than that posted by
1 30 the dealer for labor not under warranty.
1 31 b. The cost of any part provided and any shipping cost for
1 32 a part provided in an amount equal to one hundred percent of
1 33 the retail price and shipping cost of the part to the dealer.
1 34 2. A claim for compensation by a dealer for any parts
1 35 provided, shipping costs for parts provided, or labor
2 1 performed to satisfy a warranty must be approved or
2 2 disapproved by the manufacturer or distributor in writing
2 3 within thirty days of receipt of the claim by the manufacturer
2 4 or distributor. Written notice of disapproval shall contain
2 5 specific reasons for disapproval.
2 6 3. An approved claim must be paid by the manufacturer or
2 7 distributor within thirty days after approval.
2 8 4. A vessel dealer may charge a manufacturer or
2 9 distributor interest of up to the rate of one and one-half
2 10 percent per month if the manufacturer or distributor fails to
2 11 pay a warranty claim within thirty days after approval of the
2 12 claim by the manufacturer or distributor.
2 13 Sec. 3. NEW SECTION. 322H.3 VIOLATIONS.
2 14 A manufacturer or distributor who violates this chapter is
2 15 liable to a vessel dealer for any financial injury or other
2 16 damage suffered by the dealer as a result of the violation.
2 17 The liability provided under this section is in addition to
2 18 any legal or equitable remedy available at law and any
2 19 agreement between the manufacturer or distributor and the
2 20 dealer.
2 21

EXPLANATION

2 22 This bill requires a vessel manufacturer or distributor to
2 23 provide reasonable compensation to a dealer when the dealer
2 24 makes repairs to a vessel pursuant to any warranty provision
2 25 given by the manufacturer or distributor. Reasonable
2 26 compensation includes labor costs no less than that charged by
2 27 the dealer for labor not under warranty and the cost of parts
2 28 and shipping equal to 100 percent of the retail price and
2 29 shipping costs of the parts to the dealer.

2 30 The bill provides that a claim for compensation must be
2 31 approved or disapproved by the manufacturer or distributor in
2 32 writing within 30 days of receipt of the claim. Written
2 33 notice of disapproval shall contain specific reasons for
2 34 disapproval. An approved claim must be paid within 30 days
2 35 after approval. If a manufacturer or distributor fails to pay
3 1 a warranty claim within 30 days after the claim was approved,
3 2 the dealer may charge the manufacturer or distributor interest
3 3 of up to the rate of one and one-half percent per month. A
3 4 manufacturer or distributor is liable to the dealer for any
3 5 financial injury or other injury suffered by the dealer as a
3 6 result of a violation of any of the provisions in the bill.

3 7 LSB 4346SC 77

3 8 tm/sc/14