

*Ch. Huser
Heidman
Jaeger*

HSB 114
TRANSPORTATION

Succeeded by

HOUSE FILE SF/HF 3

BY (PROPOSED COMMITTEE ON
TRANSPORTATION BILL BY
CHAIRPERSON WELTER)

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act establishing a time limit for disallowance or reduction of
2 motor vehicle warranty claims, relating to establishment of
3 motor vehicle franchises, and making a penalty applicable.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1, Section 322.3, Code 1999, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 13. A manufacturer, distributor, or
4 importer of motor vehicles or agent or representative of such
5 manufacturer, distributor, or importer shall not reduce the
6 amount of compensation for, or disallow a claim for, warranty
7 parts, repairs, or service supplied by a motor vehicle dealer
8 if twelve months or more have passed since the warranty claim
9 was submitted to the manufacturer, distributor, or importer of
10 motor vehicles or agent or representative thereof. The
11 twelve-month limitation shall not apply if a court of
12 competent jurisdiction in this state finds the warranty claim
13 was fraudulent.

14 Sec. 2. Section 322A.1, Code 1999, is amended by adding
15 the following new subsection:

16 NEW SUBSECTION. 0A. "Additional motor vehicle dealership"
17 includes a facility providing manufacturer-authorized or
18 distributor-authorized service or warranty work for motor
19 vehicles of a line-make in a community in which the same line-
20 make is represented.

21 EXPLANATION

22 This bill amends Code section 322.3 to prohibit a motor
23 vehicle manufacturer, distributor, or importer of motor
24 vehicles, or an agent thereof, from reducing compensation or
25 disallowing a claim for warranty parts, repairs, or service
26 supplied by a motor vehicle dealer if 12 months or more have
27 passed since the claim was submitted. The 12-month limitation
28 does not apply if a court finds the claim was fraudulent. A
29 motor vehicle manufacturer, distributor, or importer who
30 violates the prohibition is guilty of a serious misdemeanor.

31 The bill also amends Code section 322A.1 by providing that
32 an additional motor vehicle dealership, as referred to
33 throughout Code chapter 322A, includes a facility providing
34 manufacturer-authorized or distributor-authorized service or
35 warranty work for motor vehicles of a line-make in a community

1 in which the same line-make is represented. Code chapter 322A
 2 prohibits a franchiser from entering into a franchise to
 3 establish an additional motor vehicle dealership in a
 4 community in which the same line-make is already represented
 5 unless the department of inspections and appeals grants the
 6 franchiser permission to enter into such franchise. The
 7 franchiser must show, at a hearing before the department, that
 8 there is good cause for such dealership and that the
 9 dealership is in the public interest.

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Substituted for original 1179

4/5/99

(P.1034)

FEB 23 1999

Place On Calendar

HOUSE FILE

344

BY COMMITTEE ON TRANSPORTATION

WITHDRAWN (SUCCESSOR TO HSB 114)
4/5/99

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

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