

SSB 1085  
Transportation

SENATE FILE \_\_\_\_\_ : <sup>B1</sup> 149  
BY (PROPOSED COMMITTEE ON  
TRANSPORTATION BILL BY  
CHAIRPERSON DRAKE)

Passed Senate, Date \_\_\_\_\_ Passed House, 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 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

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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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Substitutes for HF 344

4/5/99

(P.1034)

FILED FEB 16 1999

SENATE FILE

149

BY COMMITTEE ON TRANSPORTATION

(SUCCESSOR TO SSB 1085)

Passed Senate, Date <sup>(P.387)</sup> 2/24/99  
Vote: Ayes 49 Nays 0

Passed House, Date <sup>(P.1035)</sup> 4-5-99  
Vote: Ayes 97 Nays 1

<sup>(P.1064)</sup> Approved April 27, 1999  
Passed 4-12-99  
Vote 48-0

**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 service or warranty facilities, and making a  
4 penalty applicable.

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

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**SENATE FILE 149**

H-1103

1 Amend Senate File 149 as follows:  
2 1. Page 1, line 19, by inserting after the word  
3 "vehicles" the following: ", except motor homes,".  
By JAGER of Black Hawk

H-1103 FILED MARCH 17, 1999

*adopted*  
4-5-99 (P.1034)

**HOUSE AMENDMENT TO  
SENATE FILE 149**

S-3226

1 Amend Senate File 149 as follows:  
2 1. Page 1, line 19, by inserting after the word  
3 "vehicles" the following: ", except motor homes,".  
RECEIVED FROM THE HOUSE

S-3226 FILED APRIL 6, 1999 <sup>(P.1064)</sup>

*Senate Concurred* 4/12/99

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SF 149

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2 the following new subsection:

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10 motor vehicles or agent or representative thereof. The  
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AN ACT  
ESTABLISHING A TIME LIMIT FOR DISALLOWANCE OR REDUCTION OF  
MOTOR VEHICLE WARRANTY CLAIMS, RELATING TO ESTABLISHMENT  
OF MOTOR VEHICLE SERVICE OR WARRANTY FACILITIES, AND  
MAKING A PENALTY APPLICABLE.

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

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

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the following new subsection:

NEW SUBSECTION. 0A. "Additional motor vehicle dealership"  
includes a facility providing manufacturer-authorized or  
distributor-authorized service or warranty work for motor

vehicles, except motor homes, of a line-make in a community in  
which the same line-make is represented.

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MARY E. KRAMER  
President of the Senate

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RON J. CORBETT  
Speaker of the House

I hereby certify that this bill originated in the Senate and  
is known as Senate File 149, Seventy-eighth General Assembly.

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MICHAEL E. MARSHALL  
Secretary of the Senate

Approved  1999

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THOMAS J. VILSACK  
Governor