

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 83rd General Assembly
3 Regular Session, 2001

A Bill

SENATE BILL 515

4
5 By: Senator Cash
6 By: Representative Nichols

For An Act To Be Entitled

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10 AN ACT TO AMEND THE FARM EQUIPMENT RETAILER FRANCHISE
11 PROTECTION LAW TO ADD PROVISIONS CONCERNING WARRANTY
12 WORK; AND FOR OTHER PURPOSES.

Subtitle

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15 AN ACT TO AMEND THE FARM EQUIPMENT
16 RETAILER FRANCHISE PROTECTION LAW TO ADD
17 PROVISIONS CONCERNING WARRANTY WORK.

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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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22 SECTION 1. Arkansas Code Title 4, Chapter 72, Subchapter 3 is amended
23 to add an additional section to read as follows:

24 4-72-311. Warranties.

25 (a) This section applies to a warranty claim submitted by a dealer.

26 (b)(1) Claims filed for payment under warranty agreements shall either
27 be approved or disapproved within thirty (30) days of receipt by a
28 manufacturer, wholesaler, or distributor.

29 (2) All claims for payment shall be paid within thirty (30) days
30 of their approval.

31 (3) If a claim is disapproved, the manufacturer, wholesaler, or
32 distributor shall notify the dealer within thirty (30) days stating the
33 specific grounds upon which the disapproval is based. If a claim is not
34 specifically disapproved within thirty (30) days of receipt, it shall be
35 deemed approved and payment by the manufacturer, wholesaler, or distributor
36 shall follow within thirty (30) days.

1 (4) If, after termination of a contract, the dealer submits a
2 claim to the manufacturer, wholesaler, or distributor for warranty work
3 performed prior to the effective date of the termination, the manufacturer,
4 wholesaler, or distributor shall accept or reject the claim within thirty (30)
5 days of receipt.

6 (5) If a claim is not paid within the time allowed under this
7 subsection (b), interest shall accrue at the maximum lawful interest rate.

8 (c)(1) Warranty work performed by the dealer shall be compensated in
9 accordance with the reasonable and customary amount of time required to
10 complete the work, expressed in hours and fractions thereof. The time shall be
11 multiplied by the dealer's established customer hourly retail labor rate,
12 which shall have previously been made known to the manufacturer, wholesaler,
13 or distributor.

14 (2) Expenses expressly excluded under the warranty of the
15 manufacturer, wholesaler, or distributor to the customer shall not be included
16 nor required to be paid on requests for compensation from the dealer for
17 warranty work performed.

18 (3) All parts used by the dealer in performing the warranty work
19 shall be paid to the dealer in the amount equal to the dealer's net price for
20 the parts, plus a minimum of fifteen percent (15%). The additional amount is
21 to reimburse the dealer for reasonable costs of doing business in performing
22 the warranty service on behalf of the manufacturer, wholesaler, or
23 distributor, including but not limited to freight and handling costs incurred.

24 (4) The manufacturer, wholesaler, or distributor has the right to
25 adjust compensation for errors discovered during audit, and if necessary, to
26 adjust claims paid in error.

27 (d) The dealer shall have the right to accept the reimbursement terms
28 and conditions of the manufacturer, wholesaler, or distributor in lieu of the
29 terms and conditions of this section.

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