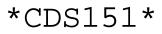
Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1	State of Arkansas	
2	83rd General Assembly A Bill	
3	Regular Session, 2001SENATE BII	LL 515
4		
5	By: Senator Cash	
6	By: Representative Nichols	
7		
8		
9	For An Act To Be Entitled	
10	AN ACT TO AMEND THE FARM EQUIPMENT RETAILER FRANCHISE	
11	PROTECTION LAW TO ADD PROVISIONS CONCERNING WARRANTY	
12	WORK; AND FOR OTHER PURPOSES.	
13	Subtitle	
14 15	AN ACT TO AMEND THE FARM EQUIPMENT	
15 16	RETAILER FRANCHISE PROTECTION LAW TO ADD	
10	PROVISIONS CONCERNING WARRANTY WORK.	
17	PROVISIONS CONCERNING WARRANTT WORK.	
19		
20	BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:	
21		
22	SECTION 1. Arkansas Code Title 4, Chapter 72, Subchapter 3 is ame	ended
23	to add an additional section to read as follows:	
24	4-72-311. Warranties.	
25	<u>(a) This section applies to a warranty claim submitted by a deale</u>	er.
26	(b)(1) Claims filed for payment under warranty agreements shall e	either
27	<u>be approved or disapproved within thirty (30) days of receipt by a</u>	
28	<u>manufacturer, wholesaler, or distributor.</u>	
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	<u>, or</u>
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	<u>specifically disapproved within thirty (30) days of receipt, it shall be</u>	ž
35	deemed approved and payment by the manufacturer, wholesaler, or distribu	<u>itor</u>
36	<u>shall follow within thirty (30) days.</u>	



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1	(4) If, after termination of a contract, the dealer submits a
2	<u>claim to the manufacturer, wholesaler, or distributor for warranty work</u>
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 therof. 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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