

HOUSE RESEARCH

Bill Summary

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Overview

This bill regulates warranty work done by farm implement dealers with regard to their agreements with suppliers. It requires prompt payment for warranty work, regulates the rate at which the work must be compensated, and allows certain alternate terms in limited circumstances.

Section

1 Warranties.

Subd. 1. Application. Provides that the requirements of the section apply to all warranty claims submitted by a dealer to a supplier.

Subd. 2. Prompt payment. Requires that claims for payment be approved or disapproved within 30 days of receipt by the seller, and that those approved be paid within 30 days of approval. Claims not acted on within 30 days would be deemed approved.

Subd. 3. Post-termination claims. Provides that warranty claims submitted after the termination of a contract still must be approved or disapproved within 30 days of receipt.

Subd. 4. Compensation for warranty work. Requires that warranty work be compensated at the dealer's customary rate, which the dealer must communicate to the supplier before doing the work.

Subd. 5. Expenses. Provides that expenses expressly excluded in the warranty may not

Section

be included in claims, and suppliers are not required to pay them.

Subd. 6. Compensation for parts. Requires compensation for parts at a rate of 15 percent above the dealer's net price for the parts.

Subd. 7. Adjustment for errors. Allows the supplier to adjust for errors before paying claims.

Subd. 8. Alternate terms and conditions. States that dealers may choose to accept alternate terms and conditions, provided that certain requirements are met relating to the way the dealer is reimbursed.

- 2 Heavy and utility equipment.** Changes the definition of "heavy and utility equipment" to include equipment used for, or adapted for use in, mining or forestry applications.