



General Assembly

January Session, 2019

**Committee Bill No. 5267**

LCO No. 6317



Referred to Committee on GENERAL LAW

Introduced by:

(GL)

***AN ACT CONCERNING FAIR REIMBURSEMENT TO RETAIL DEALERS OF POWER EQUIPMENT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 42-351 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective January 1, 2020*):

3 (a) Whenever a supplier and a dealer enter into a dealer agreement  
4 that provides for consumer warranties, the supplier shall pay any  
5 warranty claim made for parts and service not later than thirty days  
6 after receipt and approval of such claim by the supplier. The supplier  
7 shall approve or disapprove a warranty claim not later than thirty days  
8 after receipt of such claim by the supplier. If a warranty claim is not  
9 disapproved in writing by the thirtieth day after receipt of such claim  
10 by the supplier, it shall be deemed to be approved and payment shall  
11 be made by the supplier not later than thirty days thereafter.

12 (b) A supplier that pays a warranty claim pursuant to subsection (a)  
13 of this section shall pay the dealer the current net price plus eighteen  
14 per cent for any parts and the hourly posted labor rate the dealer  
15 charges consumers for nonwarranty repair work for service that has

16 been previously made known to the supplier.

17 (c) The wholesale price on which a dealer's markup reimbursement  
18 is based for any parts used in performance of a warranty, recall or  
19 campaign shall not be less than the highest wholesale price listed in the  
20 supplier's wholesale price catalogue during the twelve-month period  
21 prior to the start of the recall or campaign.

22 (d) A supplier shall not deny a warranty claim made by a dealer  
23 pursuant to subsection (a) of this section or charge-back such a claim  
24 following a timely audit based solely on the dealer's failure to comply  
25 with a claim processing procedure, a clerical error or other  
26 administrative technicality, provided the failure to comply does not  
27 call into question the legitimacy of the claim. The supplier shall allow  
28 the dealer to resubmit a denied claim according to reasonable supplier  
29 guidelines not later than thirty days after the initial claim denial or  
30 charge-back.

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2020	42-351

**Statement of Purpose:**

To extend post-sale warranty work reimbursement that is afforded to the automobile industry to power equipment dealers.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*

Co-Sponsors: REP. ORANGE, 48th Dist.; REP. PETIT, 22nd Dist.  
SEN. MCCRORY, 2nd Dist.

H.B. 5267