

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE
4

5 Legislative Document

No. 898

6
7 S.P. 293

In Senate, February 25, 1983

8 Referred to the Committee on Business Legislation. Sent down for con-
9 currence and ordered printed.

10 JOY J. O'BRIEN, Secretary of the Senate

Presented by Senator Minkowsky of Androscoggin.

Cosponsors: Representative Melendy of Rockland, Senator Hayes of
11 Penobscot and Representative Crowley of Stockton Springs.

12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-THREE
16

17 AN ACT to Require Manufacturers Selling
18 Warranted Products in Maine to Maintain
19 In-state Repair Facilities.
20

21 Be it enacted by the People of the State of Maine as
22 follows:

23 10 MRSA c. 212-B is enacted to read:

24 CHAPTER 212-B

25 REPAIR OF WARRANTED CONSUMER PRODUCTS

26 §1381. Definitions

27 As used in this chapter, unless the context indi-
28 cates otherwise, the following terms have the follow-
29 ing meanings.

1 1. Consumer product. "Consumer product" means any
2 article having a retail price of \$100 or more, except
3 a motor vehicle, purchased or leased primarily for
4 personal, family or household purposes.

5 2. Repair facility. "Repair facility" means any
6 facility in which the business of repairing, over-
7 hauling, adjusting, assembling or disassembling con-
8 sumer products is carried on.

9 3. Written warranty. "Written warranty" means:

10 A. Any written affirmation of fact or written
11 promise made in connection with the sale of a
12 consumer product by a manufacturer or seller to a
13 buyer which relates to the nature of the material
14 or workmanship and affirms or promises that the
15 material or workmanship is defect free or will
16 meet a specified level of performance over a
17 specified period of time; or

18 B. Any undertaking in writing in connection with
19 the sale by a manufacturer or seller of a con-
20 sumer product to refund, repair, replace or take
21 other remedial action with respect to that
22 product in the event that the product fails to
23 meet the specifications set forth in the under-
24 taking, which written affirmation, promise or
25 undertaking becomes part of the basis of the bar-
26 gain between a manufacturer or seller and a buyer
27 for purposes other than resale of that product.

28 §1382. Establishment of repair facility in State

29 Each manufacturer selling or leasing a consumer
30 product that is covered by a written warranty in this
31 State shall establish a repair facility in this State
32 that is authorized to perform warranted repair ser-
33 vice. A manufacturer may, in lieu of establishing its
34 own repair facility in this State, contract with an
35 existing repair facility to provide warranted repair
36 service.

37 §1383. Information and parts; compensation

38 Each manufacturer of consumer products who is
39 subject to this chapter shall provide its repair

1 facility with an adequate supply of replacement parts
2 and all current service information. Replacement
3 parts and service information shall be provided by
4 manufacturers to repair facilities within 20 days of
5 the receipt of an order and shall remain available
6 for not less than 4 years after the date of final
7 sale in this State of any discontinued consumer
8 product.

9 Repair facilities shall be reimbursed by manufac-
10 urers for the cost of providing warranted repair
11 service at a rate not less than the rate charged by
12 that facility for nonwarranted repair service, except
13 as provided in section 1384.

14 §1384. Time period for repairs and services; conse-
15 quences for delay

16 1. Repair period. Warranted repairs of consumer
17 products shall be completed within 30 days of receipt
18 of the product by the repair facility. If repairs or
19 servicing cannot be completed for any reason within
20 30 days, the warranty period on the product shall be
21 extended by the full period of time the product was
22 under the control of the repair facility. The repair
23 facility operator shall note the extension of the
24 warranty period on the consumer's warranty and shall
25 date and sign the notation.

26 2. Price reduction to consumer; exception; appor-
27 tionment. If under the terms of the written warranty
28 the consumer is required to pay for labor costs in
29 effecting the repair or servicing of the consumer
30 product, the labor charges shall be reduced by 50% if
31 the 30-day repair period is exceeded, except if the
32 delay was caused by strike, natural disaster or other
33 disaster affecting the manufacture, distribution or
34 shipment of parts by the manufacturer or distributor
35 or the provision of repair services by the repair
36 facility. The cost of this reduction shall be borne
37 by the manufacturer and repair facility as follows.

38 A. If the repair or servicing of a consumer
39 product is delayed by the manufacturer or dis-
40 tributor for any reason other than those speci-
41 fied in this subsection, the manufacturer shall
42 reimburse the repair facility for the 50% labor
43 cost reduction to the consumer.

1 B. If the repair or servicing of a consumer
2 product is delayed by the repair facility for any
3 reason other than those specified in this subsection,
4 the repair facility shall not be reimbursed
5 for the 50% labor cost reduction to the consumer.

6 3. Full warranties; apportionment. If under the
7 terms of the written warranty the consumer is under
8 no obligation to pay for labor costs for the repair
9 or servicing of the consumer product and the repair
10 or servicing of the product is delayed beyond the
11 repair period specified in subsection 1 for reasons
12 other than those specified in subsection 2, the com-
13 ensation rate between manufacturer and repair facil-
14 ity shall be as follows.

15 A. If the repair or servicing was delayed by
16 fault of the manufacturer or distributor, the
17 repair facility shall be fully compensated for
18 the work performed in providing warranted repair
19 service.

20 B. If the repair or servicing was delayed by
21 fault of the repair facility, the manufacturer
22 may compensate the repair facility for 50% of the
23 cost of work performed in providing warranted
24 repair service.

25 §1385. Location of authorized repair facility;
26 statement of rights

27 Each manufacturer selling or leasing consumer
28 products, as described in this chapter, shall set
29 forth, in writing, to each purchaser or lessee the
30 location of the authorized repair facility in this
31 State and the substance of the rights afforded the
32 consumer under this chapter.

33 §1386. Violations

34 Violations of the provisions of this chapter are
35 violations of Title 5, chapter 10.

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STATEMENT OF FACT

The purpose of this bill is to improve the provision of repair services to Maine consumers on "big ticket" consumer products. Under this bill, a consumer product covered by a written warranty and that has a retail price of more than \$100 that breaks down must be repaired within 30 days. Manufacturers are required to establish repair facilities in Maine, either directly or by contracting with existing repair facilities, so that repair work can be carried out expeditiously.

If the product is not repaired within 30 days, the consumer is entitled to 2 benefits to compensate him for the delay:

1. His warranty is extended by the full period of time the product was in the hands of the repair facility; and
2. If he was required to pay labor costs under the warranty, he is entitled to a 50% reduction in the cost of labor.

If the product was covered by a full warranty such that the consumer did not have to pay for repairs, he would receive only the extension of the warranty as a benefit.

The benefits to the consumer identified in the preceding paragraph are not available if the delay was caused by strike, natural disaster or other disaster affecting the manufacture, distribution or shipment of parts or the provision of repair services.

The bill also provides a formula for apportioning the costs of delayed repairs between manufacturers and repair facilities.

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