## MAINE STATE LEGISLATURE

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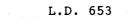
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2	DATE: 5.25.05 (Filing No. S-258)
4	TAIL C CC C C C C C C C C C C C C C C C C
6	BUSINESS, RESEARCH AND ECONOMIC DEVELOPMENT
8	Reported by:
10	Reproduced and distributed under the direction of the Secretary
12	of the Senate.
14	STATE OF MAINE SENATE 122ND LEGISLATURE
16	122ND LEGISLATURE FIRST SPECIAL SESSION
18	COMMITTEE AMENDMENT "A" to S.P. 208, L.D. 653, Bill, "An
20	Act To Clarify Warranty Practices between Manufacturers,
22	Distributors and Dealers of Power Equipment, Machinery and Appliances"
24	Amend the bill by striking out the title and substituting the following:
26	<u>-</u>
28	'An Act To Improve Warranty Practices for Farm Machinery Dealerships'
30	Further amend the bill by striking out everything after the
32	enacting clause and before the summary and inserting in its place the following:
34	'Sec. 1. 10 MRSA §1293, sub-§1, ¶¶A and B are enacted to read:
36	A. A dealer that performs warranty work as provided for in
38	this section must be compensated for the dealer's labor in an amount that is not less than the reasonable and customary
10	amount of time required to complete such work, expressed in hours and fractions of hours, multiplied by the dealer's
12	established hourly labor rate. Prior to filing a claim for warranty work, the dealer shall notify the supplier of the
14	dealer's hourly retail labor rate.
16	B. A dealer that performs warranty work as provided for in this section must be compensated for parts used in
18	fulfilling such warranty work in an amount that is not less than the dealer's costs for such parts plus 15%, including all freight and handling charges applicable to such parts.

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## COMMITTEE AMENDMENT 'A to S.P. 208, L.D. 653



to reimburse the dealer's reasonable costs of doing business and providing such warranty service on behalf of the supplier. If the warranty work is provided on behalf of the supplier on a product sold by a nonservicing dealer, the compensation for parts used in fulfilling such warranty work must be at an amount that is not less than the supplier's suggested list price or dealer's cost plus 30%, whichever is greater, plus freight and handling charges applicable to such parts.'

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## SUMMARY

This amendment replaces the bill and provides for specific warranty obligations for farm machinery dealerships. It establishes minimum compensation rates for labor and parts that a supplier must compensate a dealer for when warranty work is performed.

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