

# MAINE STATE LEGISLATURE

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R.S.

L.D. 653

DATE: 5.25.05

(Filing No. S-258)

**BUSINESS, RESEARCH AND ECONOMIC DEVELOPMENT**

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**STATE OF MAINE  
SENATE  
122ND LEGISLATURE  
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to S.P. 208, L.D. 653, Bill, "An Act To Clarify Warranty Practices between Manufacturers, Distributors and Dealers of Power Equipment, Machinery and Appliances"

Amend the bill by striking out the title and substituting the following:

**'An Act To Improve Warranty Practices for Farm Machinery Dealerships'**

Further amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

**'Sec. 1. 10 MRSA §1293, sub-§1, ¶¶A and B are enacted to read:**

A. A dealer that performs warranty work as provided for in this section must be compensated for the dealer's labor in an amount that is not less than the reasonable and customary amount of time required to complete such work, expressed in hours and fractions of hours, multiplied by the dealer's established hourly labor rate. Prior to filing a claim for warranty work, the dealer shall notify the supplier of the dealer's hourly retail labor rate.

B. A dealer that performs warranty work as provided for in this section must be compensated for parts used in 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,

**COMMITTEE AMENDMENT**

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

## 12 SUMMARY

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