

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 18-0748.03 Jery Payne x2157

SENATE BILL 18-219

SENATE SPONSORSHIP

Tate,

HOUSE SPONSORSHIP

Kraft-Tharp,

Senate Committees

Business, Labor, & Technology

House Committees

A BILL FOR AN ACT

101 CONCERNING THE RATES A MOTOR VEHICLE DEALER CHARGES A
102 MOTOR VEHICLE MANUFACTURER FOR WORK PERFORMED BY
103 THE DEALER IN ACCORDANCE WITH A WARRANTY OBLIGATION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill requires motor vehicle manufacturers to fulfill warranty obligations. A manufacturer must compensate each of its motor vehicle dealers in accordance with a set of standards designed to reflect the current market rate for labor and the profit margin on parts the dealer can expect to obtain. Dealers must submit certain repair orders to the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

manufacturer as required by the bill to establish compensation rates.

The manufacturer may contest the rates charged by the dealer. If the manufacturer does not contest the rates within 15 days, the amounts take effect. If the manufacturer timely contests the rates and the manufacturer and dealer cannot agree on the amount charged, the dealer may obtain a determination by a court. The manufacturer has the burden of proving the rates are inaccurate. The dealer may request a modification of rates from a manufacturer only semiannually.

A manufacturer is:

- ! Prohibited from lowering the retail labor rate below the rate the manufacturer was paying before the bill takes effect;
- ! Prohibited from eliminating flat-rate times for labor or establishing unreasonable flat-rate times for labor;
- ! Required to establish reasonable flat-rate times for labor for new models;
- ! Required to calculate the retail parts markup percentage from the dealer's wholesale cost for the part;
- ! Prohibited from reducing the suggested retail or list price to provide the dealer lower compensation;
- ! Prohibited from establishing different part numbers for warranty repairs to pay the dealer lower compensation;
- ! Prohibited from attempting to recover the costs of paying the dealer from the dealer using other methods;
- ! Prohibited from taking action against the dealer for asserting the dealer's rights under the bill;
- ! Prohibited from forcing the dealer to change prices for nonwarranty repairs;
- ! Prohibited from requiring a dealer to use any method that is unduly burdensome or time-consuming to account for the retail prices set under the bill;
- ! Required to reduce the motor vehicle dealer's cost for a part by the same percentage that the manufacturer reduces the retail cost of a part.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 12-6-114 as
3 follows:

4 **12-6-114. Filing of written warranties.** Each licensed
5 manufacturer shall file with the director all written warranties and
6 changes in written warranties that the manufacturer makes on any motor

1 vehicle or parts thereof. Each licensed manufacturer shall file with the
2 director a copy of the delivery and preparation obligations of its dealers.
3 ~~and~~ These warranties and obligations constitute the dealer's only
4 responsibility for product liability as between the dealer and the
5 manufacturer. ~~Any mechanical, body, or parts defects arising from any~~
6 ~~express or implied warranties of the manufacturer constitute the~~
7 ~~manufacturer's product or warranty liability, and the manufacturer shall~~
8 ~~reasonably compensate any authorized dealer who performs work to~~
9 ~~rectify the manufacturer's product or warranty defects.~~

10 **SECTION 2.** In Colorado Revised Statutes, **add** 12-6-132.5 as
11 follows:

12 **12-6-132.5. Fulfillment and compensation for warranty and**
13 **recall obligations - definitions.** (1) AS USED IN THIS SECTION:

14 (a) "MANUFACTURER" INCLUDES A MANUFACTURER, A
15 DISTRIBUTOR, AND A MANUFACTURER REPRESENTATIVE.

16 (b) "NONWARRANTY REPAIR" MEANS A DIAGNOSIS, REPAIR, LABOR,
17 OR PART FOR WHICH PAYMENT WAS MADE BY A PERSON OTHER THAN A
18 MANUFACTURER AND THAT WAS NOT A WARRANTY OBLIGATION.
19 "NONWARRANTY REPAIR" ALSO MEANS CUSTOMER-PAY REPAIRS, LABOR,
20 OR PARTS.

21 (c) "PART" MEANS AN ACCESSORY, A PART, OR A COMPONENT USED
22 TO REPAIR OR SERVICE A MOTOR VEHICLE IN ACCORDANCE WITH THE
23 MANUFACTURER'S WARRANTY OBLIGATION. "PART" INCLUDES ENGINE AND
24 TRANSMISSION PARTS AND ALL MOTOR VEHICLE ASSEMBLIES.

25 (d) "REPAIR" MEANS DIAGNOSING, WORK, LABOR, AND SERVICING
26 PERFORMED BY A MOTOR VEHICLE DEALER. "REPAIR" ALSO INCLUDES
27 PRIOR DIAGNOSIS, REPAIRS, WORK, SERVICE, AND LABOR THAT MAY OR

1 MAY NOT BE SIMILAR TO THE DIAGNOSIS, REPAIRS, WORK, SERVICE, AND
2 LABOR FOR WHICH THE MOTOR VEHICLE DEALER IS MAKING A CLAIM FOR
3 COMPENSATION.

4 (e) "RETAIL LABOR RATE" MEANS THE RATE FOR LABOR
5 CALCULATED BY THE MOTOR VEHICLE DEALER IN ACCORDANCE WITH
6 SUBSECTION (4) OF THIS SECTION THAT A MANUFACTURER IS REQUIRED TO
7 PAY A MOTOR VEHICLE DEALER IN ACCORDANCE WITH SUBSECTION (2) OF
8 THIS SECTION.

9 (f) "RETAIL PARTS MARKUP PERCENTAGE" MEANS THE
10 PERCENTAGE MARKUP ON PARTS CALCULATED BY THE MOTOR VEHICLE
11 DEALER IN ACCORDANCE WITH SUBSECTION (4) OF THIS SECTION THAT A
12 MANUFACTURER IS REQUIRED TO PAY A MOTOR VEHICLE DEALER IN
13 ACCORDANCE WITH SUBSECTION (2) OF THIS SECTION.

14 (g) "WARRANTY OBLIGATION" MEANS DIAGNOSING, REPAIRING,
15 AND SERVICING A MOTOR VEHICLE TO CORRECT ANY DEFECT OR
16 MALFUNCTION IN ACCORDANCE WITH A PROGRAM OR AGREEMENT,
17 INCLUDING A WARRANTY, RECALL, CERTIFIED PREOWNED WARRANTY,
18 MAINTENANCE PLAN, MAINTENANCE SERVICE CONTRACT, EXTENDED
19 WARRANTY, GOODWILL, SERVICE CONTRACT, OR DELIVERY PREPARATION
20 OBLIGATION, UNDER WHICH A MANUFACTURER MAKES A REPAIR
21 COMMITMENT OR SERVICE COMMITMENT TO A CONSUMER OR MOTOR
22 VEHICLE DEALER.

23 (2) A MANUFACTURER SHALL TIMELY COMPENSATE ITS MOTOR
24 VEHICLE DEALERS AT THE RETAIL LABOR RATE AND THE RETAIL PARTS
25 MARKUP PERCENTAGE FOR ALL LABOR PERFORMED AND PARTS USED BY
26 THE MOTOR VEHICLE DEALER ARISING FROM OR RELATING TO ANY
27 WARRANTY OBLIGATION.

1 (3) (a) A MOTOR VEHICLE DEALER, OTHER THAN A MOTOR VEHICLE
2 DEALER THAT DEALS IN RECREATIONAL VEHICLES, MAY ESTABLISH THE
3 RETAIL LABOR RATE AND THE RETAIL PARTS MARKUP PERCENTAGE BY
4 SUBMITTING TO THE MANUFACTURER EITHER OF THE FOLLOWING AS
5 DECIDED BY THE MOTOR VEHICLE DEALER:

6 (I) FIFTY SEQUENTIAL REPAIR ORDERS CONTAINING
7 NONWARRANTY REPAIRS, WHICH MAY INCLUDE A NONWARRANTY REPAIR
8 THAT IS INCLUDED IN A REPAIR ORDER WITH A WARRANTY OBLIGATION
9 REPAIR, THAT HAVE BEEN PAID BY A CONSUMER AND CLOSED BY THE TIME
10 OF SUBMISSION; OR

11 (II) ALL REPAIR ORDERS FOR NONWARRANTY REPAIRS, WHICH MAY
12 INCLUDE A NONWARRANTY REPAIR THAT IS INCLUDED IN A REPAIR ORDER
13 WITH WARRANTY OBLIGATION REPAIR, THAT HAVE BEEN PAID BY A
14 CONSUMER AND CLOSED BY THE TIME OF SUBMISSION FOR A PERIOD OF
15 THIRTY CONSECUTIVE DAYS.

16 (b) A MANUFACTURER SHALL NOT DISQUALIFY A REPAIR ORDER
17 UNDER THIS SUBSECTION (3) BECAUSE THE REPAIR ORDER CONTAINS BOTH
18 WARRANTY AND NONWARRANTY REPAIRS, BUT ONLY NONWARRANTY
19 REPAIRS ARE USED IN THE CALCULATION OF THE RETAIL LABOR RATE AND
20 THE RETAIL PARTS MARKUP PERCENTAGE.

21 (c) A MOTOR VEHICLE DEALER MAY SUBMIT ONE SET OF REPAIR
22 ORDERS FOR THE PURPOSE OF CALCULATING BOTH ITS RETAIL LABOR RATE
23 AND THE RETAIL PARTS MARKUP PERCENTAGE OR MAY SUBMIT SEPARATE
24 SETS OF REPAIR ORDERS FOR PURPOSES OF CALCULATING ONLY ITS RETAIL
25 LABOR RATE OR FOR PURPOSES OF CALCULATING ONLY ITS RETAIL PARTS
26 MARKUP PERCENTAGE.

27 (d) THE REPAIR ORDERS SUBMITTED UNDER THIS SUBSECTION (3)

1 TO DETERMINE THE RETAIL LABOR RATE MUST CONTAIN ONLY REPAIR
2 ORDERS FROM THE LAST SIXTY DAYS BEFORE THE DATE THE SUBMISSION
3 IS SENT TO THE MANUFACTURER.

4 (e) THE REPAIR ORDERS SUBMITTED UNDER THIS SUBSECTION (3)
5 TO DETERMINE THE RETAIL PARTS MARKUP PERCENTAGE MUST CONTAIN
6 ONLY REPAIR ORDERS FROM THE LAST SIXTY DAYS BEFORE THE DATE THE
7 SUBMISSION IS SENT TO THE MANUFACTURER.

8 (4) (a) EXCEPT AS PROVIDED IN SUBSECTION (4)(c) OF THIS
9 SECTION, TO CALCULATE THE RETAIL LABOR RATE, THE MOTOR VEHICLE
10 DEALER MUST DIVIDE THE MOTOR VEHICLE DEALER'S TOTAL
11 NONWARRANTY LABOR SALES GENERATED FROM THE NONWARRANTY
12 REPAIRS SUBMITTED UNDER SUBSECTION (3) OF THIS SECTION BY THE
13 TOTAL NUMBER OF LABOR HOURS THAT GENERATED THOSE TOTAL LABOR
14 SALES.

15 (b) EXCEPT AS PROVIDED IN SUBSECTION (4)(c) OF THIS SECTION,
16 TO CALCULATE THE RETAIL PARTS MARKUP PERCENTAGE, THE MOTOR
17 VEHICLE DEALER MUST DIVIDE THE MOTOR VEHICLE DEALER'S TOTAL
18 PARTS SALES GENERATED FROM NONWARRANTY REPAIRS SUBMITTED
19 UNDER SUBSECTION (3) OF THIS SECTION BY THE AMOUNT OF THE MOTOR
20 VEHICLE DEALER'S TOTAL COST FOR THOSE PARTS, SUBTRACTING ONE
21 FROM THIS AMOUNT, AND THEN MULTIPLYING THE AMOUNT BY ONE
22 HUNDRED.

23 (c) THE CALCULATION OF THE RETAIL LABOR RATE IN SUBSECTION
24 (4)(a) OF THIS SECTION AND OF THE RETAIL PARTS MARKUP PERCENTAGE
25 IN SUBSECTION (4)(b) OF THIS SECTION DO NOT INCLUDE PARTS USED OR
26 LABOR PERFORMED:

27 (I) FOR MANUFACTURER OR MOTOR VEHICLE DEALER SPECIAL

- 1 EVENTS, SPECIALS, EXPRESS SERVICE, AND PROMOTIONAL DISCOUNTS;
- 2 (II) FOR REPAIRS DONE AT WHOLESALE;
- 3 (III) FOR ROUTINE MAINTENANCE, INCLUDING REPLACEMENT
- 4 FLUIDS, FILTERS, BATTERIES, BULBS, NUTS, BOLTS, FASTENERS, AND BELTS;
- 5 (IV) THAT DO NOT HAVE INDIVIDUAL PART NUMBERS;
- 6 (V) IF THE REPAIR ORDER IS FOR TIRES;
- 7 (VI) FOR THE REPAIRS OF A MOTOR VEHICLE OWNED BY THE
- 8 MOTOR VEHICLE DEALER, AN AFFILIATE OF THE MOTOR VEHICLE DEALER,
- 9 OR AN EMPLOYEE OF EITHER THE MOTOR VEHICLE DEALER OR THE
- 10 AFFILIATE;
- 11 (VII) FOR MOTOR VEHICLE DEALER RECONDITIONING;
- 12 (VIII) FOR WINDOW TINT, PROTECTIVE FILM, MASKING PRODUCTS,
- 13 OR WINDOW REPLACEMENT LABOR;
- 14 (IX) FOR GOODWILL OR POLICY REPAIRS OR REPLACEMENTS;
- 15 (X) FOR EMISSION INSPECTIONS REQUIRED BY LAW;
- 16 (XI) FOR SAFETY INSPECTIONS REQUIRED BY LAW;
- 17 (XII) FOR WHICH A VOLUME DISCOUNT WAS NEGOTIATED WITH A
- 18 THIRD-PARTY PAYER, INCLUDING GOVERNMENT AGENCIES, INSURANCE
- 19 CARRIERS, FLEET OPERATORS, THIRD-PARTY WARRANTY COMPANIES, OR
- 20 SERVICE CONTRACT COMPANIES.

21 (5) (a) NOTWITHSTANDING ANY MANUFACTURER REQUIREMENT,

22 POLICY, PROCEDURE, GUIDELINE, OR STANDARD, A MOTOR VEHICLE

23 DEALER MAY SUBMIT TO THE MANUFACTURER THE RETAIL LABOR RATE OR

24 RETAIL PARTS MARKUP PERCENTAGE AS EACH IS CALCULATED IN

25 ACCORDANCE WITH SUBSECTION (4) OF THIS SECTION.

26 (b) A MOTOR VEHICLE DEALER MAY REQUEST IN WRITING, NOT

27 MORE OFTEN THAN SEMIANNUALLY, AN INCREASE IN COMPENSATION FOR

1 LABOR AT THE RETAIL LABOR RATE FOR WARRANTY OBLIGATIONS.

2 (c) A MOTOR VEHICLE DEALER MAY REQUEST IN WRITING, NOT
3 MORE OFTEN THAN SEMIANNUALLY, AN INCREASE IN COMPENSATION FOR
4 PARTS AT THE RETAIL PARTS MARKUP PERCENTAGE FOR WARRANTY
5 OBLIGATIONS.

6 (6) (a) (I) IF THE SUBMITTED CALCULATION OF THE RETAIL LABOR
7 RATE OR RETAIL PARTS MARKUP PERCENTAGE IS MATERIALLY
8 INACCURATE, A MANUFACTURER MAY CONTEST THE MOTOR VEHICLE
9 DEALER'S SUBMITTED CALCULATIONS OF THE RETAIL LABOR RATE OR
10 RETAIL PARTS MARKUP PERCENTAGE BY DELIVERING A NOTICE TO THE
11 MOTOR VEHICLE DEALER WITHIN FIFTEEN DAYS AFTER RECEIVING THE
12 SUBMISSION IN ACCORDANCE WITH SUBSECTION (3) OF THIS SECTION FROM
13 THE MOTOR VEHICLE DEALER. TO COMPLY WITH THIS SUBSECTION (6), THE
14 NOTICE MUST:

15 (A) INCLUDE A FULL AND DETAILED EXPLANATION OF THE
16 REASONS THAT THE MANUFACTURER BELIEVES THE CALCULATION IS
17 MATERIALLY INACCURATE;

18 (B) PROVIDE EVIDENCE SUBSTANTIATING THE MANUFACTURER'S
19 POSITION; AND

20 (C) PROPOSE AN ADJUSTMENT OF THE CONTESTED RETAIL LABOR
21 RATE OR RETAIL PARTS MARKUP PERCENTAGE.

22 (II) THE MANUFACTURER SHALL NOT MODIFY THE GROUNDS FOR
23 CONTESTING THE RETAIL LABOR RATE OR RETAIL PARTS MARKUP
24 PERCENTAGE AFTER DELIVERING THE NOTICE TO THE MOTOR VEHICLE
25 DEALER UNDER THIS SUBSECTION (6).

26 (b) IF THE MANUFACTURER DOES NOT TIMELY CONTEST THE MOTOR
27 VEHICLE DEALER'S CALCULATION OF THE RETAIL LABOR RATE OR RETAIL

1 PARTS MARKUP PERCENTAGE IN ACCORDANCE WITH THIS SUBSECTION (6),
2 THE UNCONTESTED RETAIL LABOR RATE OR RETAIL PARTS MARKUP
3 PERCENTAGE BECOMES EFFECTIVE FIFTEEN DAYS AFTER THE
4 MANUFACTURER HAS RECEIVED THE SUBMISSION FROM THE MOTOR
5 VEHICLE DEALER, AND THEREAFTER, THE MANUFACTURER SHALL USE THE
6 MOTOR VEHICLE DEALER'S INCREASED RETAIL LABOR RATE AND RETAIL
7 PARTS MARKUP PERCENTAGE IN CALCULATING COMPENSATION FOR
8 WARRANTY OBLIGATIONS UNTIL A SUBSEQUENT INCREASE IN THE MOTOR
9 VEHICLE DEALER'S RETAIL LABOR RATE OR RETAIL PARTS MARKUP
10 PERCENTAGE IS ESTABLISHED IN ACCORDANCE WITH THIS SECTION.

11 (c) (I) IF THE MANUFACTURER TIMELY CONTESTS THE MOTOR
12 VEHICLE DEALER'S CALCULATION OF THE RETAIL LABOR RATE OR RETAIL
13 PARTS MARKUP PERCENTAGE AND THE MANUFACTURER AND MOTOR
14 VEHICLE DEALER ARE UNABLE TO RESOLVE THE DISAGREEMENT, THE
15 MOTOR VEHICLE DEALER MAY SEEK A DETERMINATION BY FILING A
16 COMPLAINT WITH A COURT OF COMPETENT JURISDICTION.

17 (II) IN A COURT PROCEEDING, THE MANUFACTURER BEARS THE
18 BURDEN OF PROVING BY A PREPONDERANCE OF THE EVIDENCE THAT THE
19 MOTOR VEHICLE DEALER'S SUBMITTED RETAIL LABOR RATE OR RETAIL
20 PARTS MARKUP PERCENTAGE IS MATERIALLY INACCURATE. THE COURT
21 SHALL DETERMINE, IN ACCORDANCE WITH THIS SECTION, THE PROPER
22 RETAIL LABOR RATE OR RETAIL PARTS MARKUP PERCENTAGE.

23 (III) ANY RETAIL LABOR RATE OR RETAIL PARTS MARKUP
24 PERCENTAGE ESTABLISHED THROUGH THE JUDICIAL PROCEEDING APPLIES
25 RETROACTIVELY TO CALCULATE REIMBURSEMENT FOR ANY LABOR AND
26 PART BEGINNING FIFTEEN DAYS AFTER THE MANUFACTURER RECEIVED THE
27 SUBMISSION REQUIRED BY SUBSECTION (3) OF THIS SECTION.

1 (IV) IF THE MANUFACTURER CONTESTS THE MOTOR VEHICLE
2 DEALER'S CALCULATION OF THE RETAIL LABOR RATE OR RETAIL PARTS
3 MARKUP PERCENTAGE, THE MANUFACTURER SHALL CONTINUE TO
4 REIMBURSE THE MOTOR VEHICLE DEALER FOR WARRANTY OBLIGATION
5 REPAIRS AT THE RETAIL LABOR RATE AND RETAIL PARTS MARKUP
6 PERCENTAGE AS BOTH EXISTED BEFORE THE MOTOR VEHICLE DEALER
7 SUBMITTED A REQUEST FOR AN INCREASE UNDER SUBSECTION (5) OF THIS
8 SECTION. WHEN THE MANUFACTURER AND MOTOR VEHICLE DEALER AGREE
9 ON THE RETAIL LABOR RATE OR RETAIL PARTS MARKUP PERCENTAGE, THE
10 MANUFACTURER SHALL PAY ANY DIFFERENCE BETWEEN THE AMOUNT THE
11 MANUFACTURER COMPENSATED THE DEALER AND THE AMOUNT AGREED
12 TO BY THE MOTOR VEHICLE DEALER AND MANUFACTURER AS OF FIFTEEN
13 DAYS AFTER THE MANUFACTURER RECEIVED THE SUBMISSION REQUIRED
14 BY SUBSECTION (3) OF THIS SECTION.

15 (d) IN THE COURT PROCEEDING, THE COURT SHALL AWARD THE
16 PREVAILING PARTY REASONABLE ATTORNEY FEES AND COSTS. IF THE
17 MOTOR VEHICLE DEALER PREVAILS, THE COURT SHALL AWARD AS
18 DAMAGES THE FULL AMOUNT OF REIMBURSEMENT THAT SHOULD HAVE
19 BEEN PAID TO THE MOTOR VEHICLE DEALER. IF THE COURT FINDS THAT THE
20 MANUFACTURER'S DECISION TO CONTEST THE RATE WAS IN BAD FAITH OR
21 TO DELAY PAYING THE INCREASED RETAIL LABOR RATE OR RETAIL PARTS
22 MARKUP PERCENTAGE, THE COURT SHALL AWARD THE MOTOR VEHICLE
23 DEALER TWO TIMES THE ACTUAL DAMAGES.

24 (7) WHEN CALCULATING THE RETAIL LABOR RATE AND THE RETAIL
25 PARTS MARKUP PERCENTAGE, THE MANUFACTURER:

26 (a) SHALL NOT PAY A RETAIL LABOR RATE LESS THAN THE HOURLY
27 RATE IT WAS PAYING TO THE MOTOR VEHICLE DEALER FOR ANY WARRANTY

1 OBLIGATIONS PERFORMED ON THE DAY BEFORE THE EFFECTIVE DATE OF
2 THIS SECTION;

3 (b) SHALL NOT ELIMINATE FLAT-RATE TIMES OR ESTABLISH AN
4 UNREASONABLE FLAT-RATE TIME, AND ANY FLAT-RATE TIME THAT IS
5 MATERIALLY INCONSISTENT WITH A NATIONALLY PUBLISHED FLAT-RATE
6 GUIDE IS REBUTTABLY PRESUMED TO BE UNREASONABLE;

7 (c) SHALL ESTABLISH REASONABLE FLAT-RATE LABOR TIMES FOR
8 NEW LINE-MAKES THAT ARE CONSISTENT WITH THE EXISTING RATES;

9 (d) SHALL, IF THE MANUFACTURER FURNISHES A PART TO A MOTOR
10 VEHICLE DEALER AT NO COST FOR USE IN PERFORMING A REPAIR UNDER A
11 RECALL OR CAMPAIGN SERVICE ACTION, COMPENSATE THE MOTOR VEHICLE
12 DEALER FOR THE PART BY CALCULATING THE RETAIL PARTS MARKUP
13 PERCENTAGE USING THE DEALER'S COST FOR THE PART AS LISTED IN THE
14 MANUFACTURER'S PRICE SCHEDULE;

15 (e) SHALL NOT, DIRECTLY OR INDIRECTLY, REDUCE THE
16 SUGGESTED RETAIL OR LIST PRICE FOR ANY PART PRIMARILY FOR PURPOSES
17 OF PROVIDING A LOWER COMPENSATION AMOUNT TO THE MOTOR VEHICLE
18 DEALER THAN THE AMOUNT CALCULATED UNDER THIS SECTION;

19 (f) SHALL NOT ESTABLISH A DIFFERENT PART NUMBER FOR REPAIRS
20 MADE IN ACCORDANCE WITH A WARRANTY OBLIGATION THAN THE PART
21 NUMBER ESTABLISHED FOR NONWARRANTY REPAIRS;

22 (g) SHALL NOT RECOVER OR ATTEMPT TO RECOVER, DIRECTLY OR
23 INDIRECTLY, IN WHOLE OR IN PART, ANY OF ITS COSTS FROM A MOTOR
24 VEHICLE DEALER FOR COMPENSATING A MOTOR VEHICLE DEALER UNDER
25 THIS SECTION;

26 (h) SHALL NOT, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART,
27 ASSESS PENALTIES OR SURCHARGES TO A MOTOR VEHICLE DEALER, LIMIT

1 ALLOCATION OF MOTOR VEHICLES OR PARTS TO A MOTOR VEHICLE DEALER,
2 OR TAKE ANY ADVERSE ACTION BASED ON A MOTOR VEHICLE DEALER'S
3 EXERCISE OF THE DEALER'S RIGHTS UNDER THIS SECTION;

4 (i) SHALL NOT REQUIRE, INFLUENCE, OR ATTEMPT TO INFLUENCE
5 A MOTOR VEHICLE DEALER TO IMPLEMENT OR CHANGE THE PRICES FOR
6 WHICH THE MOTOR VEHICLE DEALER SELLS PARTS OR LABOR IN
7 NONWARRANTY REPAIRS;

8 (j) SHALL NOT REQUIRE FROM A MOTOR VEHICLE DEALER:

9 (I) ANY INFORMATION THAT IS UNDULY BURDENSOME OR TIME
10 CONSUMING TO OBTAIN, INCLUDING ANY PART-BY-PART OR
11 TRANSACTION-BY-TRANSACTION CALCULATIONS; OR

12 (II) USE OF THE MOTOR VEHICLE DEALER'S FINANCIAL STATEMENT
13 OR ANOTHER MOTOR VEHICLE DEALER'S FINANCIAL STATEMENTS;

14 (k) SHALL REDUCE BY THE SAME PERCENTAGE THE MOTOR
15 VEHICLE DEALER'S COST FOR A PART IF A MANUFACTURER REDUCES THE
16 MANUFACTURER'S SUGGESTED RETAIL PRICE OR LIST PRICE FOR THE PART.

17 (8) NOTHING IN THIS SECTION PROHIBITS A MANUFACTURER FROM
18 INCREASING THE PRICE OF A MOTOR VEHICLE OR MOTOR VEHICLE PART IN
19 THE NORMAL COURSE OF BUSINESS IN ACCORDANCE WITH ESTABLISHED
20 PRACTICE.

21 **SECTION 3. Act subject to petition - effective date.** This act
22 takes effect October 1, 2018; except that, if a referendum petition is filed
23 pursuant to section 1 (3) of article V of the state constitution against this
24 act or an item, section, or part of this act within the ninety-day period
25 after final adjournment of the general assembly, then the act, item,
26 section, or part will not take effect unless approved by the people at the

1 general election to be held in November 2018 and, in such case, will take
2 effect on the date of the official declaration of the vote thereon by the
3 governor.