

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

LLS NO. 18-0748.03 Jery Payne x2157

**SENATE BILL 18-219**

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**SENATE SPONSORSHIP**

**Tate,**

**HOUSE SPONSORSHIP**

**Kraft-Tharp,**

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**Senate Committees**

Business, Labor, & Technology

**House Committees**

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**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.**

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**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.*

SENATE  
3rd Reading Unamended  
April 25, 2018

SENATE  
Amended 2nd Reading  
April 24, 2018

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.

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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 \_\_\_\_\_ 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, AND LABOR PERFORMED  
26 BY A MOTOR VEHICLE DEALER \_\_\_\_\_ FOR WHICH THE MOTOR VEHICLE  
27 DEALER IS MAKING A CLAIM FOR COMPENSATION.

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

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

11 (g) "WARRANTY OBLIGATION" MEANS DIAGNOSING AND REPAIRING  
12 A MOTOR VEHICLE IN ACCORDANCE WITH ANY WARRANTY, RECALL, OR  
13 CERTIFIED PREOWNED WARRANTY, \_\_\_ UNDER WHICH A MANUFACTURER  
14 MAKES A REPAIR COMMITMENT \_\_\_ TO A CONSUMER OR MOTOR VEHICLE  
15 DEALER.

16 (2) AT A MOTOR VEHICLE DEALER'S REQUEST, A MANUFACTURER  
17 SHALL TIMELY COMPENSATE THE MOTOR VEHICLE DEALER AT THE RETAIL  
18 LABOR RATE AND THE RETAIL PARTS MARKUP PERCENTAGE IN  
19 ACCORDANCE WITH SUBSECTION (3) OF THIS SECTION FOR ALL LABOR  
20 PERFORMED AND PARTS USED BY THE MOTOR VEHICLE DEALER FOR  
21 COVERED REPAIRS PERFORMED IN ACCORDANCE WITH THE WARRANTY  
22 OBLIGATION, IF THE RETAIL LABOR RATE AND RETAIL PARTS MARKUP  
23 PERCENTAGE ARE REASONABLE.

24 (3) (a) A MOTOR VEHICLE DEALER, OTHER THAN A MOTOR VEHICLE  
25 DEALER THAT DEALS IN RECREATIONAL VEHICLES, MAY ESTABLISH THE  
26 RETAIL LABOR RATE AND THE RETAIL PARTS MARKUP PERCENTAGE BY  
27 SUBMITTING TO THE MANUFACTURER EITHER OF THE FOLLOWING AS

1 DECIDED BY THE MOTOR VEHICLE DEALER:

2 (I) ONE HUNDRED SEQUENTIAL REPAIR ORDERS CONTAINING  
3 NONWARRANTY REPAIRS, WHICH MAY INCLUDE A NONWARRANTY REPAIR  
4 THAT IS INCLUDED IN A REPAIR ORDER WITH A WARRANTY OBLIGATION  
5 REPAIR, THAT HAVE BEEN PAID BY A CONSUMER AND CLOSED BY THE TIME  
6 OF SUBMISSION; OR

7 (II) ALL REPAIR ORDERS FOR NONWARRANTY REPAIRS, WHICH MAY  
8 INCLUDE A NONWARRANTY REPAIR THAT IS INCLUDED IN A REPAIR ORDER  
9 WITH WARRANTY OBLIGATION REPAIR, THAT HAVE BEEN PAID BY A  
10 CONSUMER AND CLOSED BY THE TIME OF SUBMISSION FOR A PERIOD OF  
11 NINETY CONSECUTIVE DAYS.

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

17 (c) A MOTOR VEHICLE DEALER MAY SUBMIT ONE SET OF REPAIR  
18 ORDERS FOR THE PURPOSE OF CALCULATING BOTH ITS RETAIL LABOR RATE  
19 AND THE RETAIL PARTS MARKUP PERCENTAGE OR MAY SUBMIT SEPARATE  
20 SETS OF REPAIR ORDERS FOR PURPOSES OF CALCULATING ONLY ITS RETAIL  
21 LABOR RATE OR FOR PURPOSES OF CALCULATING ONLY ITS RETAIL PARTS  
22 MARKUP PERCENTAGE. IF THE RATES FROM THE CALCULATION ARE  
23 SUBSTANTIALLY HIGHER OR LOWER THAN THE CURRENT RATES, THE  
24 MANUFACTURER MAY REQUEST ADDITIONAL REPAIR ORDERS FOR THE  
25 NINETY DAYS BEFORE OR AFTER THE SUBMITTED REPAIR ORDERS FOR  
26 PURPOSES OF ALTERATION.

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 NINETY 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 NINETY 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, ONE-TIME SPECIALS, EXPRESS SERVICE, AND QUOTED-PRICE  
2 PROMOTIONAL DISCOUNTS, BUT THIS EXCLUSION FROM THE CALCULATION  
3 DOES NOT INCLUDE BROADLY APPLICABLE DISCOUNTS OFFERED BY THE  
4 DEALER, SUCH AS PERCENTAGE-OFF COUPONS, THAT APPLY TO REPAIRS  
5 AND PARTS;

6 (II) FOR PARTS SOLD AT WHOLESALE;

7 (III) FOR ROUTINE MAINTENANCE, INCLUDING REPLACEMENT  
8 FLUIDS, FILTERS, BATTERIES, BULBS, NUTS, BOLTS, FASTENERS, TIRES, AND  
9 BELTS;

10 (IV) THAT DO NOT HAVE INDIVIDUAL PART NUMBERS;

11 ==

12 (V) FOR THE REPAIRS OF A MOTOR VEHICLE OWNED BY THE MOTOR  
13 VEHICLE DEALER, AN AFFILIATE OF THE MOTOR VEHICLE DEALER, OR AN  
14 EMPLOYEE OF EITHER THE MOTOR VEHICLE DEALER OR THE AFFILIATE;

15 (VI) FOR MOTOR VEHICLE DEALER RECONDITIONING;

16 (VII) FOR WINDOW TINT, PROTECTIVE FILM, MASKING PRODUCTS,  
17 OR WINDOW REPLACEMENT LABOR;

18 (VIII) FOR MANUFACTURER APPROVED AND REIMBURSED  
19 GOODWILL == REPAIRS OR REPLACEMENTS;

20 (IX) FOR EMISSION INSPECTIONS REQUIRED BY LAW;

21 (X) FOR SAFETY INSPECTIONS REQUIRED BY LAW;

22 (XI) FOR WHICH A VOLUME DISCOUNT WAS NEGOTIATED WITH A  
23 THIRD-PARTY PAYER, INCLUDING GOVERNMENT AGENCIES, INSURANCE  
24 CARRIERS, AND FLEET OPERATORS, BUT NOT INCLUDING THIRD-PARTY  
25 WARRANTY COMPANIES OR SERVICE CONTRACT COMPANIES.

26 (5) (a) NOTWITHSTANDING ANY MANUFACTURER REQUIREMENT,  
27 POLICY, PROCEDURE, GUIDELINE, OR STANDARD, A MOTOR VEHICLE

1 DEALER MAY SUBMIT TO THE MANUFACTURER THE RETAIL LABOR RATE OR  
2 RETAIL PARTS MARKUP PERCENTAGE AS EACH IS CALCULATED IN  
3 ACCORDANCE WITH SUBSECTION (4) OF THIS SECTION.

4 (b) A MOTOR VEHICLE DEALER MAY REQUEST IN WRITING, NOT  
5 MORE OFTEN THAN ONCE ANNUALLY, AN INCREASE IN COMPENSATION FOR  
6 LABOR AT THE RETAIL LABOR RATE FOR WARRANTY OBLIGATIONS.

7 (c) A MOTOR VEHICLE DEALER MAY REQUEST IN WRITING, NOT  
8 MORE OFTEN THAN ONCE ANNUALLY, AN INCREASE IN COMPENSATION FOR  
9 PARTS AT THE RETAIL PARTS MARKUP PERCENTAGE FOR WARRANTY  
10 OBLIGATIONS.

11 (d) (I) A MANUFACTURER MAY CONDUCT A PERIODIC REVIEW OF  
12 A MOTOR VEHICLE DEALER'S SERVICE RECORDS TO VERIFY THE  
13 CONTINUING ACCURACY OF THE RETAIL LABOR RATE OR RETAIL PARTS  
14 MARKUP PERCENTAGE PROPOSED BY OR IN EFFECT FOR THE DEALER.

15 (II) A MANUFACTURER SHALL NOT CONDUCT A PERIODIC REVIEW  
16 MORE THAN ONCE PER CALENDAR YEAR. THIS PERIODIC REVIEW IS NOT AN  
17 AUDIT IN ACCORDANCE WITH SECTION 12-6-126.

18 (6) (a) (I) IF THE SUBMITTED CALCULATION OF THE RETAIL LABOR  
19 RATE OR RETAIL PARTS MARKUP PERCENTAGE IS MATERIALLY INACCURATE  
20 OR IS SUBSTANTIALLY DIFFERENT THAN THAT OF OTHER SIMILARLY  
21 SITUATED LINE-MAKE DEALERS WITHIN THE STATE, A MANUFACTURER  
22 MAY CONTEST THE MOTOR VEHICLE DEALER'S SUBMITTED CALCULATIONS  
23 OF THE RETAIL LABOR RATE OR RETAIL PARTS MARKUP PERCENTAGE BY  
24 DELIVERING A NOTICE TO THE MOTOR VEHICLE DEALER WITHIN FORTY-FIVE  
25 DAYS AFTER RECEIVING THE SUBMISSION IN ACCORDANCE WITH  
26 SUBSECTION (3) OF THIS SECTION FROM THE MOTOR VEHICLE DEALER. TO  
27 COMPLY WITH THIS SUBSECTION (6), THE NOTICE MUST:



1 (A) INCLUDE AN EXPLANATION OF THE REASONS THAT THE  
2 MANUFACTURER BELIEVES THE CALCULATION IS SUBJECT TO CONTEST;

3 (B) PROVIDE EVIDENCE SUBSTANTIATING THE MANUFACTURER'S  
4 POSITION; AND

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

7 (II) THE MANUFACTURER MAY MODIFY THE GROUNDS FOR  
8 CONTESTING THE RETAIL LABOR RATE OR RETAIL PARTS MARKUP  
9 PERCENTAGE AFTER DELIVERING THE NOTICE TO THE MOTOR VEHICLE  
10 DEALER UNDER THIS SUBSECTION (6), BUT THE MODIFICATION DOES NOT  
11 CHANGE THE TIMING REQUIREMENTS IN THIS SECTION.

12 (b) IF THE MANUFACTURER DOES NOT TIMELY CONTEST THE MOTOR  
13 VEHICLE DEALER'S CALCULATION OF THE RETAIL LABOR RATE OR RETAIL  
14 PARTS MARKUP PERCENTAGE IN ACCORDANCE WITH THIS SUBSECTION (6),  
15 THE UNCONTESTED RETAIL LABOR RATE OR RETAIL PARTS MARKUP  
16 PERCENTAGE BECOMES EFFECTIVE FORTY-FIVE DAYS AFTER THE  
17 MANUFACTURER HAS RECEIVED THE SUBMISSION FROM THE MOTOR  
18 VEHICLE DEALER, AND THEREAFTER, THE MANUFACTURER SHALL USE THE  
19 MOTOR VEHICLE DEALER'S INCREASED RETAIL LABOR RATE AND RETAIL  
20 PARTS MARKUP PERCENTAGE IN CALCULATING COMPENSATION FOR  
21 WARRANTY OBLIGATIONS UNTIL A SUBSEQUENT CALCULATION OF THE  
22 MOTOR VEHICLE DEALER'S RETAIL LABOR RATE OR RETAIL PARTS MARKUP  
23 PERCENTAGE IS ESTABLISHED IN ACCORDANCE WITH THIS SECTION.

24 (c) (I) IF THE MANUFACTURER TIMELY CONTESTS THE MOTOR  
25 VEHICLE DEALER'S CALCULATION OF THE RETAIL LABOR RATE OR RETAIL  
26 PARTS MARKUP PERCENTAGE AND THE MANUFACTURER AND MOTOR  
27 VEHICLE DEALER ARE UNABLE TO RESOLVE THE DISAGREEMENT, THE

1 MOTOR VEHICLE DEALER MAY SEEK A DETERMINATION BY FILING A  
2 COMPLAINT WITH A COURT OF COMPETENT JURISDICTION OR THE  
3 EXECUTIVE DIRECTOR NO LATER THAN SIXTY DAYS AFTER THE NEW MOTOR  
4 VEHICLE DEALER RECEIVES THE MANUFACTURER'S CHALLENGE TO THE  
5 DETERMINED RETAIL LABOR RATE OR RETAIL PARTS MARKUP PERCENTAGE.

6 (II) IN A COURT PROCEEDING, THE COURT SHALL DETERMINE, IN  
7 ACCORDANCE WITH THIS SECTION, THE PROPER RETAIL LABOR RATE OR  
8 RETAIL PARTS MARKUP PERCENTAGE.

9 (III) ANY RETAIL LABOR RATE OR RETAIL PARTS MARKUP  
10 PERCENTAGE ESTABLISHED THROUGH THE \_\_\_\_\_ PROCEEDING APPLIES  
11 RETROACTIVELY TO CALCULATE REIMBURSEMENT FOR ANY LABOR AND  
12 PART BEGINNING THIRTY DAYS AFTER THE MANUFACTURER RECEIVED THE  
13 SUBMISSION REQUIRED BY SUBSECTION (3) OF THIS SECTION.

14 (IV) IF THE MANUFACTURER CONTESTS THE MOTOR VEHICLE  
15 DEALER'S CALCULATION OF THE RETAIL LABOR RATE OR RETAIL PARTS  
16 MARKUP PERCENTAGE, THE MANUFACTURER SHALL CONTINUE TO  
17 REIMBURSE THE MOTOR VEHICLE DEALER FOR WARRANTY OBLIGATION  
18 REPAIRS AT THE RETAIL LABOR RATE AND RETAIL PARTS MARKUP  
19 PERCENTAGE AS BOTH EXISTED BEFORE THE MOTOR VEHICLE DEALER  
20 SUBMITTED A REQUEST FOR AN INCREASE UNDER SUBSECTION (5) OF THIS  
21 SECTION. WHEN THE MANUFACTURER AND MOTOR VEHICLE DEALER AGREE  
22 ON THE RETAIL LABOR RATE OR RETAIL PARTS MARKUP PERCENTAGE, THE  
23 MANUFACTURER SHALL PAY ANY DIFFERENCE BETWEEN THE AMOUNT THE  
24 MANUFACTURER COMPENSATED THE DEALER AND THE AMOUNT AGREED  
25 TO BY THE MOTOR VEHICLE DEALER AND MANUFACTURER AS OF THIRTY  
26 DAYS AFTER THE MANUFACTURER RECEIVED THE SUBMISSION REQUIRED  
27 BY SUBSECTION (3) OF THIS SECTION.

1 (d) IN THE COURT PROCEEDING, THE COURT SHALL AWARD THE  
2 PREVAILING PARTY REASONABLE ATTORNEY FEES AND COSTS. IF THE  
3 MOTOR VEHICLE DEALER PREVAILS, THE COURT SHALL AWARD AS  
4 DAMAGES THE FULL AMOUNT OF REIMBURSEMENT THAT SHOULD HAVE  
5 BEEN PAID TO THE MOTOR VEHICLE DEALER. == ==

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

8 == ==

9 (a) SHALL NOT == ESTABLISH AN UNREASONABLE FLAT-RATE TIME,  
10 == NOR ESTABLISH UNREASONABLE FLAT-RATE LABOR TIMES FOR NEW  
11 LINE-MAKES THAT ARE INCONSISTENT WITH THE EXISTING RATES;

12 (b) SHALL, IF THE MANUFACTURER FURNISHES A PART TO A MOTOR  
13 VEHICLE DEALER AT NO COST FOR USE IN PERFORMING A REPAIR UNDER A  
14 WARRANTY OBLIGATION, COMPENSATE THE MOTOR VEHICLE DEALER FOR  
15 THE AUTHORIZED REPAIR PART BY PAYING THE DEALER AN AMOUNT EQUAL  
16 TO THE RETAIL PARTS MARKUP PERCENTAGE MULTIPLIED BY THE COST THE  
17 DEALER WOULD HAVE PAID FOR THE AUTHORIZED PART AS LISTED IN THE  
18 MANUFACTURER'S PRICE SCHEDULE; OF PROVIDING A LOWER  
19 COMPENSATION AMOUNT TO THE MOTOR VEHICLE DEALER THAN THE  
20 AMOUNT CALCULATED UNDER THIS SECTION;

21 (c) SHALL NOT ESTABLISH A DIFFERENT PART NUMBER FOR REPAIRS  
22 MADE IN ACCORDANCE WITH A WARRANTY OBLIGATION THAN THE PART  
23 NUMBER ESTABLISHED FOR NONWARRANTY REPAIRS SOLELY TO PROVIDE  
24 A LOWER COMPENSATION TO A MOTOR VEHICLE DEALER;

25 (d) SHALL NOT RECOVER OR ATTEMPT TO RECOVER, DIRECTLY OR  
26 INDIRECTLY, IN WHOLE OR IN PART, ANY OF ITS COSTS FROM THE MOTOR  
27 VEHICLE DEALER FOR COMPENSATING THE MOTOR VEHICLE DEALER UNDER

1 THIS SECTION;

2 (e) SHALL NOT, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART,  
3 ASSESS PENALTIES OR SURCHARGES TO THE MOTOR VEHICLE DEALER, LIMIT  
4 ALLOCATION OF MOTOR VEHICLES OR PARTS TO THE MOTOR VEHICLE  
5 DEALER, OR TAKE ANY ADVERSE ACTION BASED ON THE MOTOR VEHICLE  
6 DEALER'S EXERCISE OF THE DEALER'S RIGHTS UNDER THIS SECTION;

7 (f) SHALL NOT REQUIRE FROM A MOTOR VEHICLE ANY  
8 INFORMATION THAT IS UNDULY BURDENSOME OR TIME CONSUMING TO  
9 OBTAIN, INCLUDING ANY PART-BY-PART OR  
10 TRANSACTION-BY-TRANSACTION CALCULATIONS.

11 (8) NOTHING IN THIS SECTION PROHIBITS A MANUFACTURER FROM  
12 INCREASING THE PRICE OF A MOTOR VEHICLE OR MOTOR VEHICLE PART IN  
13 THE NORMAL COURSE OF BUSINESS.

14 **SECTION 3. Act subject to petition - effective date.** This act  
15 takes effect October 1, 2018; except that, if a referendum petition is filed  
16 pursuant to section 1 (3) of article V of the state constitution against this  
17 act or an item, section, or part of this act within the ninety-day period  
18 after final adjournment of the general assembly, then the act, item,  
19 section, or part will not take effect unless approved by the people at the  
20 general election to be held in November 2018 and, in such case, will take  
21 effect on the date of the official declaration of the vote thereon by the  
22 governor.