

FILED FEB 20 '01

SENATE FILE 248  
BY LUNDBY

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to payment for warranty repairs by a farm  
2 equipment or lawn and garden equipment dealer and providing an  
3 effective date.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 248  
TRANSPORTATION

1 Section 1. NEW SECTION. 322F.8A WARRANTY CLAIMS --  
2 RATES.

3 This section applies to a warranty claim submitted by a  
4 farm equipment dealer or lawn and garden equipment dealer  
5 while the dealer agreement is in effect or after the  
6 termination of the dealer agreement, if the claim is for work  
7 performed before the effective date of the termination.

8 1. Within thirty days after the date a supplier receives a  
9 warranty claim from a dealer, the supplier shall accept or  
10 reject the claim. A claim not rejected before that deadline  
11 is deemed accepted.

12 2. Within thirty days after the date a warranty claim is  
13 accepted or rejected, the supplier shall either pay the  
14 accepted claim or send the dealer written notice of the  
15 grounds for rejection of a rejected claim.

16 3. A supplier that pays a warranty claim, including a  
17 supplier of an electric engine or motor, shall not pay less  
18 than the hourly labor rate and other expenses involved in the  
19 work that the dealer regularly charges to a retail customer  
20 who does not assert a warranty and the dealer's net price plus  
21 fifteen percent for parts unless otherwise agreed by the  
22 supplier and dealer. The number of hours of labor claimed  
23 shall not exceed one and one-half times the supplier's  
24 recommended hours for the repair involved.

25 4. After payment of a warranty claim, a supplier shall not  
26 charge back, set off, or otherwise attempt to recover all or  
27 part of the amount of the claim unless:

28 a. The claim was fraudulent.

29 b. The work for which the claim was made was not properly  
30 performed or was unnecessary to comply with the warranty.

31 c. The dealer did not substantiate the warranty claim  
32 according to the written requirements of the supplier in  
33 effect when the claim arose.

34 5. A dealer or supplier authorized to sell new farm  
35 equipment or lawn and garden equipment shall give the

1 purchaser a written warranty agreement which shall include  
2 replacement or cash refund. If the dealer determines the  
3 equipment cannot be made usable, the supplier is liable to the  
4 purchaser for the replacement or cash refund.

5 Sec. 2. APPLICABILITY. The provisions of this Act apply  
6 only to a warranty claim received by a supplier on or after  
7 the effective date of this Act.

8 EXPLANATION

9 This bill provides that farm equipment and lawn and garden  
10 equipment dealers shall be paid the same hourly rate for  
11 warranty claim repairs and expenses as the dealer regularly  
12 charges to a retail customer who does not assert a warranty  
13 claim and the dealer's net price plus 15 percent for parts  
14 except as otherwise agreed to by the supplier and dealer.

15 The bill applies to claims received by a supplier on or  
16 after the bill's effective date.

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