

By the Committee on Commerce; and Senator Atwater

577-2472-07

1                                   A bill to be entitled  
2           An act relating to warranty responsibility for  
3           motor vehicle dealers; amending s. 320.696,  
4           F.S.; providing that reasonable compensation  
5           for work, including labor and parts, is the  
6           same under warranty as under other  
7           circumstances unless the motor vehicle  
8           manufacturer, distributor, or importer  
9           demonstrates that the charges are proper;  
10          prohibiting a motor vehicle manufacturer,  
11          distributor, or importer from imposing a charge  
12          on a motor vehicle dealer for warranty work and  
13          certain products; providing an effective date.

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15 Be It Enacted by the Legislature of the State of Florida:

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17           Section 1. Section 320.696, Florida Statutes, is  
18 amended to read:

19           320.696 Warranty responsibility.--The licensee shall  
20 reasonably and timely compensate any authorized motor vehicle  
21 dealer who performs work, including labor and parts, to  
22 rectify the licensee's product or warranty defects or fulfills  
23 delivery and preparation obligations. In the determination of  
24 what constitutes reasonable compensation under this section,  
25 the factors to be given consideration shall include, among  
26 others, the compensation being paid by other licensees to  
27 their dealers, the prevailing wage rate being paid by the  
28 dealers, and the prevailing labor rate being charged by the  
29 dealers, in the city or community in which the dealer is doing  
30 business. For the purpose of this section, reasonable  
31 compensation for work, including labor and parts, by a motor

1 vehicle dealer for warranty repairs or service, including  
2 labor and parts, on behalf of a licensee shall ~~not~~ be  
3 determined to be equal to less than the amount charged by the  
4 dealer for like work to retail customers for nonwarranty  
5 repairs and service, including labor and parts, unless the  
6 licensee has demonstrated ~~can demonstrate~~ and established  
7 ~~establish~~ in a proceeding before the department that the  
8 dealer's retail charges for labor and parts are improper in  
9 light of all economic circumstances. Compensation not paid  
10 within 30 days after ~~of~~ receipt or notice of billing is ~~shall~~  
11 ~~be~~ presumed untimely. A licensee may not otherwise recover, or  
12 seek to recover, any of its costs for compensating a motor  
13 vehicle dealer for warranty work, including labor and parts,  
14 by imposing on a motor vehicle dealer any charge or surcharge  
15 to the wholesale price paid by a motor vehicle dealer to the  
16 licensee for any product, including motor vehicles and parts.

17 Section 2. This act shall take effect July 1, 2007.

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19 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
20 COMMITTEE SUBSTITUTE FOR  
21 Senate Bill 1206

22 The committee substitute specifies that the amount for  
23 warranty work, parts, and labor, charged back to the  
24 manufacturer by the motor vehicle dealer shall be equal to,  
rather than not less than, what the dealer charges its retail  
customers for non-warranty work.