

**ONE HUNDRED THIRD LEGISLATURE - FIRST SESSION - 2013**  
**COMMITTEE STATEMENT**  
**LB165**

---

**Hearing Date:** Tuesday January 29, 2013  
**Committee On:** Transportation and Telecommunications  
**Introducer:** Dubas  
**One Liner:** Change provisions relating to motor vehicle dealer warranty service

---

**Roll Call Vote - Final Committee Action:**  
Advanced to General File

---

**Vote Results:**

**Aye:** 8 Senators Brasch, Dubas, Hadley, Janssen, McCoy, Price, Smith, Watermeier

**Nay:**

**Absent:**

**Present Not Voting:**

---

**Proponents:**

Senator Annette Dubas  
Loy Todd

**Representing:**

Introducer  
Nebraska New Car and Truck Dealers Association

**Opponents:**

John Lindsay

**Representing:**

Alliance of Automobile Manufacturers

**Neutral:**

**Representing:**

---

**Summary of purpose and/or changes:**

LB165 amends 60-1438(2)(a) of the Motor Vehicle Industry Licensing Act, which sets the schedule of compensation for new motor vehicle dealers for warranty service required by manufacturers. Currently the statute lays out a formula to determine compensation, including diagnostic work, repair service, parts, labor, and the prevailing wage rates being paid by dealers in the community, but excludes routine maintenance, such as oil and fluid changes. Some motor vehicle manufacturers are requiring their dealers to include tire replacement in the calculation of compensation for warranty work, which in effect lowers the compensation dealers receive for warranty work. The bill adds "tire repair or replacement" to the list of routine maintenance examples.

Section by section summary:

Section 1 adds "tire repair or replacement" to 60-1438(2)(a).

Section 2 repeals the original section.

---

Annette Dubas, Chairperson