

AMENDMENTS TO LB 371

1 1. Strike the original sections and insert the following
2 new sections:

3 "Section 1. Section 60-1438, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 60-1438. (1) Each new motor vehicle manufacturer or
6 distributor shall specify in writing to each of its new motor
7 vehicle dealers licensed in this state the dealer's obligations for
8 preparation, delivery, and warranty service on its products. The
9 manufacturer or distributor shall compensate the new motor vehicle
10 dealer for warranty service which such manufacturer or distributor
11 requires the dealer to provide. The manufacturer or distributor
12 shall provide the new motor vehicle dealer with the schedule of
13 compensation to be paid to the dealer for parts, work, and service
14 and the time allowance for the performance of the work and service.

15 (2) The schedule of compensation shall include reasonable
16 compensation for diagnostic work, as well as repair service, parts,
17 and labor. Time allowances for the diagnosis and performance of
18 warranty work and service shall be reasonable and adequate for the
19 work to be performed. In the determination of what constitutes
20 reasonable compensation under this section, the principal factors
21 to be given consideration shall be the prevailing wage rates being
22 paid by dealers in the community in which the dealer is doing
23 business, and in no event shall the compensation of the dealer for
24 warranty parts and labor be less than the rates charged by the

1 dealer for like parts and service to retail or fleet customers, as
2 long as such rates are reasonable.

3 (3) A manufacturer or distributor shall not do any of the
4 following:

5 (a) Fail to perform any warranty obligation;

6 (b) Fail to include in written notices of factory recalls
7 to new motor vehicle owners and dealers the expected date by which
8 necessary parts and equipment will be available to dealers for the
9 correction of the defects; or

10 (c) Fail to compensate any of the new motor vehicle
11 dealers licensed in this state for repairs effected by the recall.

12 (4) All claims made by a new motor vehicle dealer
13 pursuant to this section for labor and parts shall be paid within
14 thirty days after their approval. All claims shall be either
15 approved or disapproved by the manufacturer or distributor within
16 thirty days after their receipt on a proper form generally used by
17 the manufacturer or distributor and containing the usually required
18 information therein. Any claim not specifically disapproved in
19 writing within thirty days after the receipt of the form shall be
20 considered to be approved and payment shall be made within thirty
21 days. The manufacturer has the right to audit the claims for two
22 years after payment and to charge back to the new motor vehicle
23 dealer the amount of any false, fraudulent, or unsubstantiated
24 claim.

25 (5) The warranty obligations set forth in this section
26 shall also apply to any manufacturer of a new motor vehicle
27 transmission, engine, or rear axle that separately warrants its

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1 components to customers.

2 Sec. 2. Original section 60-1438, Reissue Revised

3 Statutes of Nebraska, is repealed.".