

AMENDMENTS TO LB972

(Amendments to E&R amendments, ER132)

Introduced by Ballard, 21.

1           1. Strike sections 6, 7, and 71 and insert the following new  
2 sections:

3           **Sec. 64.** Section 60-1401, Revised Statutes Cumulative Supplement,  
4 2024, is amended to read:

5           60-1401 Sections 60-1401 to 60-1441 and section 71 of this act shall  
6 be known and may be cited as the Motor Vehicle Industry Regulation Act.

7           Any amendments to the act shall apply to franchises subject to the  
8 act which are entered into, amended, altered, modified, renewed, or  
9 extended after the date of the amendments to the act except as otherwise  
10 specifically provided in the act.

11           All amendments to the act shall apply upon the issuance or renewal  
12 of a dealer's or manufacturer's license.

13           **Sec. 67.** Section 60-1430.02, Reissue Revised Statutes of Nebraska,  
14 is amended to read:

15           60-1430.02 (1) Upon the termination, cancellation, or  
16 noncontinuation of a franchise by the franchisor or franchisee pursuant  
17 to the Motor Vehicle Industry Regulation Act, the franchisor shall pay  
18 the franchisee:

19           (a) The dealer cost, plus any charges made by the franchisor for  
20 distribution, delivery, and taxes, less all allowances paid or credited  
21 to the franchisee by the franchisor, of unused, undamaged, and unsold  
22 motor vehicles in the franchisee's inventory acquired from the franchisor  
23 or another franchisee of the same line and make within the previous  
24 twelve months;

25           (b) The dealer cost, less all allowances paid or credited to the  
26 franchisee by the franchisor, for all unused, undamaged, and unsold

1 supplies, parts, and accessories in original packaging, except that (i)  
2 in the case of sheet metal, a comparable substitute for original  
3 packaging may be used if such supply, part, or accessory is offered for  
4 sale by the franchisor and was acquired from the franchisor or the  
5 predecessor franchisee as a part of the franchisee's initial inventory  
6 and (ii) in the case of a motorcycle franchise, the payment for such  
7 supplies, parts, and accessories shall be based upon the currently  
8 published dealer cost for all unused, undamaged, and unsold supplies,  
9 parts, and accessories currently offered for sale by the franchisor and  
10 originally acquired from the franchisor or the predecessor franchisee as  
11 a part of the franchisee's initial inventory, and all such supplies,  
12 parts, and accessories shall be currently identifiable and labeled and in  
13 the original packaging or a comparable substitute for the original  
14 packaging;

15 (c) The fair market value of each undamaged sign owned by the  
16 franchisee which bears a common name, trade name, or trademark of the  
17 franchisor if acquisition of such sign was recommended or required by the  
18 franchisor;

19 (d) The fair market value of all special tools, equipment, and  
20 furnishings acquired from the franchisor or sources approved by the  
21 franchisor which were recommended and required by the franchisor and are  
22 in good and usable condition except for reasonable wear and tear; and

23 (e) The cost of transporting, handling, packing, and loading motor  
24 vehicles, supplies, parts, accessories, signs, special tools, equipment,  
25 and furnishings.

26 (2) The franchisor shall pay the franchisee the amounts specified in  
27 subsection (1) of this section within ninety days after the tender of the  
28 property if the franchisee has clear title to the property and is in a  
29 position to convey that title to the franchisor. This section shall not  
30 apply to a termination or noncontinuation of a franchise that is  
31 implemented as a result of the sale of the assets or stock of the

1 franchisee.

2 (3)(a) If the termination, cancellation, or nonrenewal of a  
3 franchise is the result of the termination, elimination, or cessation of  
4 a line-make by the manufacturer, distributor, or factory branch, then, in  
5 addition to the payments to the franchisee pursuant to subsection (1) of  
6 this section, the manufacturer, distributor, or factory branch shall be  
7 liable to the franchisee for an amount at least equivalent to the fair  
8 market value of the franchise for the line-make, which shall be the  
9 greater of that value determined as of (i) the date the franchisor  
10 announces the action that results in termination, cancellation, or  
11 nonrenewal of the line-make or (ii) the date the action that resulted in  
12 termination, cancellation, or nonrenewal of the line-make first became  
13 general knowledge. In determining the fair market value of a franchise  
14 for a line-make, if the line-make is not the only line-make for which the  
15 franchisee holds a franchise in the dealership facilities, the franchisee  
16 shall also be entitled to compensation for the contribution of the line-  
17 make to payment of the rent or to covering obligations for the fair  
18 rental value of the franchise facilities for the period set forth in  
19 subdivision (b) of this subsection. Fair market value of the franchise  
20 for the line-make shall only include the goodwill value of the franchise  
21 for that line-make in the franchisee's community.

22 (b) If the line-make is the only line-make for which the franchisee  
23 holds a franchise, the manufacturer, distributor, or factory branch shall  
24 also pay assistance with respect to the franchise facilities leased or  
25 owned by the franchisee as follows:

26 (i) The manufacturer, distributor, or factory branch shall pay the  
27 franchisee a sum equivalent to the rent for the unexpired term of the  
28 lease or two years' rent, whichever is less; or

29 (ii) If the franchisee owns the franchise facilities, the  
30 manufacturer, distributor, or factory branch shall pay the franchisee a  
31 sum equivalent to the reasonable rental value of the franchise facilities

1 for two years.

2 (c) To be entitled to franchise facilities assistance from the  
3 manufacturer, distributor, or factory branch, the franchisee shall have  
4 the obligation to mitigate damages by listing the franchise facilities  
5 for lease or sublease with a licensed real estate agent within thirty  
6 days after the effective date of the termination of the franchise and by  
7 reasonably cooperating with the real estate agent in the performance of  
8 the agent's duties and responsibilities. If the franchisee is able to  
9 lease or sublease the franchise facilities on terms that are consistent  
10 with local zoning requirements to preserve the right to sell motor  
11 vehicles from the franchise facilities and the terms of the franchisee's  
12 lease, the franchisee shall be obligated to pay the manufacturer the net  
13 revenue received from such mitigation, but only following receipt of  
14 franchise facilities assistance payments pursuant to subdivision (3)(b)  
15 of this section and only up to the total amount of franchise facilities  
16 assistance payments that the franchisee has received.

17 ~~(d) This subsection does not apply to the termination of a line make~~  
18 ~~by a franchisor of recreational vehicles.~~

19 (4) This section shall not relieve a franchisee from any other  
20 obligation to mitigate damages upon termination, cancellation, or  
21 noncontinuation of the franchise.

22 **Sec. 68.** Section 60-1437, Reissue Revised Statutes of Nebraska, is  
23 amended to read:

24 60-1437 In addition to the restrictions imposed by section 60-1436,  
25 a manufacturer or distributor shall not:

26 (1) Fail to deliver new motor vehicles or new motor vehicle parts or  
27 accessories within a reasonable time and in reasonable quantities  
28 relative to the new motor vehicle dealer's market area and facilities,  
29 unless the failure is caused by acts or occurrences beyond the control of  
30 the manufacturer or distributor or unless the failure results from an  
31 order by the new motor vehicle dealer in excess of quantities reasonably

1 and fairly allocated by the manufacturer or distributor;

2 (2) Refuse to disclose to a new motor vehicle dealer the method and  
3 manner of distribution of new motor vehicles by the manufacturer or  
4 distributor or, if a line-make is allocated among new motor vehicle  
5 dealers, refuse to disclose to any new motor vehicle dealer that handles  
6 the same line-make the system of allocation, including, but not limited  
7 to, a complete breakdown by model, and a concise listing of dealerships  
8 with an explanation of the derivation of the allocation system, including  
9 its mathematical formula in a clear and comprehensible form;

10 (3) Refuse to disclose to a new motor vehicle dealer the total  
11 number of new motor vehicles of a given model which the manufacturer or  
12 distributor has sold during the current model year within the dealer's  
13 marketing district, zone, or region, whichever geographical area is the  
14 smallest;

15 (4) Increase the price of any new motor vehicle which the new motor  
16 vehicle dealer had ordered and delivered to the same retail consumer for  
17 whom the vehicle was ordered, if the order was made prior to the dealer's  
18 receipt of the written official price increase notification. A sales  
19 contract signed by a private retail consumer and binding on the dealer  
20 shall constitute evidence of such order. In the event of manufacturer or  
21 distributor price reduction or cash rebate, the amount of any reduction  
22 or rebate received by a dealer shall be passed on to the private retail  
23 consumer by the dealer. Any price reduction in excess of five dollars  
24 shall apply to all vehicles in the dealer's inventory which were subject  
25 to the price reduction. A price difference applicable to a new model or  
26 series of motor vehicles at the time of the introduction of the new model  
27 or series shall not be considered a price increase or price decrease.  
28 This subdivision shall not apply to price changes caused by the  
29 following:

30 (a) The addition to a motor vehicle of required or optional  
31 equipment pursuant to state or federal law;

1 (b) In the case of foreign-made vehicles or components, revaluation  
2 of the United States dollar; or

3 (c) Any increase in transportation charges due to an increase in  
4 rates charged by a common carrier or other transporter;

5 (5) Fail or refuse to sell or offer to sell to all franchised new  
6 motor vehicle dealers in a line-make every new motor vehicle sold or  
7 offered for sale to any franchised new motor vehicle dealer of the same  
8 line-make. However, the failure to deliver any such new motor vehicle  
9 shall not be considered a violation of this section if the failure is due  
10 to a lack of manufacturing capacity or to a strike or labor difficulty, a  
11 shortage of materials, a freight embargo, or any other cause over which  
12 the franchisor has no control. A manufacturer or distributor shall not  
13 require that any of its new motor vehicle dealers located in this state  
14 pay any extra fee, purchase unreasonable or unnecessary quantities of  
15 advertising displays or other materials, or remodel, renovate, or  
16 recondition the new motor vehicle dealer's existing facilities in order  
17 to receive any particular model or series of vehicles manufactured or  
18 distributed by the manufacturer for which the dealers have a valid  
19 franchise. Notwithstanding the provisions of this subdivision, nothing  
20 contained in this section shall be deemed to prohibit or prevent a  
21 manufacturer from requiring that its franchised dealers located in this  
22 state purchase special tools or equipment, stock reasonable quantities of  
23 certain parts, or participate in training programs which are reasonably  
24 necessary for those dealers to sell or service any model or series of new  
25 motor vehicles ~~. This subdivision shall not apply to manufacturers of~~  
26 ~~recreational vehicles;~~

27 (6) Fail to offer dealers of a specific line-make a new franchise  
28 agreement containing substantially similar terms and conditions for sales  
29 of the line-make if the ownership of the manufacturer or distributor  
30 changes or there is a change in the plan or system of distribution;

31 (7) Take an adverse action against a dealer because the dealer sells

1 or leases a motor vehicle that is later exported to a location outside  
2 the United States. A franchise provision that allows a manufacturer or  
3 distributor to take adverse action against a dealer because the dealer  
4 sells or leases a motor vehicle that is later exported to a location  
5 outside the United States is enforceable only if, at the time of the  
6 original sale or lease, the dealer knew or reasonably should have known  
7 that the motor vehicle would be exported to a location outside the United  
8 States. A dealer is presumed to have no knowledge that a motor vehicle  
9 the dealer sells or leases will be exported to a location outside the  
10 United States if, under the laws of a state of the United States (a) the  
11 motor vehicle is titled, (b) the motor vehicle is registered, and (c)  
12 applicable state and local taxes are paid for the motor vehicle. Such  
13 presumption may be rebutted by direct, clear, and convincing evidence  
14 that the dealer knew or reasonably should have known at the time of the  
15 original sale or lease that the motor vehicle would be exported to a  
16 location outside the United States. Except as otherwise permitted by  
17 subdivision (7) of this section, a franchise provision that allows a  
18 manufacturer or distributor to take adverse action against a dealer  
19 because the dealer sells or leases a motor vehicle that is later exported  
20 to a location outside the United States is void and unenforceable;

21 (8) Discriminate against a dealer holding a franchise for a line-  
22 make of the manufacturer or distributor in favor of other dealers of the  
23 same line-make in this state by:

24 (a) Selling or offering to sell a new motor vehicle to a dealer at a  
25 lower actual price, including the price for vehicle transportation, than  
26 the actual price at which the same model similarly equipped is offered to  
27 or is available to another dealer in this state during a similar time  
28 period; or

29 (b) Using a promotional program or device or an incentive, payment,  
30 or other benefit, whether paid at the time of the sale of the new motor  
31 vehicle to the dealer or later, that results in the sale or offer to sell

1 a new motor vehicle to a dealer at a lower price, including the price for  
2 vehicle transportation, than the price at which the same model similarly  
3 equipped is offered or is available to another dealer in this state  
4 during a similar time period. This subdivision shall not prohibit a  
5 promotional or incentive program that is functionally available to  
6 competing dealers of the same line-make in this state on substantially  
7 comparable terms;

8 (9) Refuse to pay a new motor vehicle dealer for sales incentives,  
9 service incentives, rebates, or other forms of incentive compensation  
10 within thirty days after their approval by the manufacturer or  
11 distributor. The manufacturer or distributor shall either approve or  
12 disapprove each claim by the dealer within thirty days after receipt of  
13 the claim in a proper form generally used by the manufacturer or  
14 distributor. Any claims not specifically disapproved in writing within  
15 thirty days after receipt shall be considered to be approved;

16 (10) Perform an audit to confirm payment of a sales incentive,  
17 service incentive, rebate, or other form of incentive compensation more  
18 than twelve months after the date of payment of the claim or twelve  
19 months after the end of the incentive program by the new motor vehicle  
20 dealer unless the claim is fraudulent;

21 (11) Reduce the amount to be paid to a new motor vehicle dealer for  
22 a sales incentive, service incentive, rebate, or other form of incentive  
23 compensation or charge back a new motor vehicle dealer subsequent to the  
24 payment of the claim for a sales incentive, service incentive, rebate, or  
25 other form of incentive compensation unless the manufacturer or  
26 distributor shows that the claim lacks required documentation or is  
27 alleged to be false, fraudulent, or based on a misrepresentation.

28 A manufacturer or distributor may not deny a claim based solely on a  
29 new motor vehicle dealer's incidental failure to comply with a specific  
30 claim processing requirement, such as a clerical error, that does not put  
31 into question the legitimacy of the claim. No reduction in the amount to

1 be paid to the new motor vehicle dealer and no charge back subsequent to  
2 the payment of a claim may be made until the new motor vehicle dealer has  
3 had notice and an opportunity to correct any deficiency and resubmit the  
4 claim and to participate in all franchisor internal appeal processes as  
5 well as all available legal processes. If a charge back is the subject of  
6 adjudication, internal appeal, mediation, or arbitration, no charge back  
7 shall be made until, in the case of an adjudication or legal action, a  
8 final order has been issued.

9 A claim for reimbursement by the manufacturer or distributor of sums  
10 due following an audit must be presented to the dealer within ninety days  
11 after completion of the audit of the item subject to the claim. A  
12 manufacturer or distributor may not setoff or otherwise take control over  
13 funds owned or under the control of the new motor vehicle dealer or which  
14 are in an account designated for the new motor vehicle dealer when such  
15 action is based upon the findings of an audit or other claim with respect  
16 thereto until a final decision is issued with respect to any challenge or  
17 appeal by either party of any such audit or claim.

18 Any ambiguity or inconsistency in submission guidelines shall be  
19 construed against the manufacturer or distributor;

20 (12) Make any express or implied statement or representation  
21 directly or indirectly that the dealer is under any obligation whatsoever  
22 to offer to sell or sell any extended service contract, extended  
23 maintenance plan, gap policy, gap waiver, or other aftermarket product or  
24 service offered, sold, backed by, or sponsored by the manufacturer or  
25 distributor or to sell, assign, or transfer any of the dealer's retail  
26 sales contracts or leases in this state on motor vehicles manufactured or  
27 sold by the manufacturer or distributor to a finance company or class of  
28 finance companies, leasing company or class of leasing companies, or  
29 other specified person, because of any relationship or affiliation  
30 between the manufacturer or distributor and the finance company or  
31 companies, leasing company or leasing companies, or the specified person

1 or persons; or

2 (13) Prohibit a franchisee from acquiring a line-make of new motor  
3 vehicles solely because the franchisee owns or operates a franchise of  
4 the same line-make in a contiguous market.

5 Any such statements, threats, promises, acts, contracts, or offers  
6 of contracts, when their effect may be to lessen or eliminate competition  
7 or tend to create a monopoly, are declared unfair trade practices and  
8 unfair methods of competition and are prohibited.

9 **Sec. 69.** Section 60-1438, Revised Statutes Supplement, 2025, is  
10 amended to read:

11 60-1438 (1) Each new motor vehicle manufacturer or distributor shall  
12 specify in writing to each of its new motor vehicle dealers licensed in  
13 this state the dealer's obligations for preparation, delivery, and  
14 warranty service on its products. The manufacturer or distributor shall  
15 compensate the new motor vehicle dealer for warranty service which such  
16 manufacturer or distributor requires the dealer to provide, including  
17 warranty and recall obligations related to repairing and servicing motor  
18 vehicles and all parts and components included in or manufactured for  
19 installation in the motor vehicles of the manufacturer or distributor.  
20 The manufacturer or distributor shall provide the new motor vehicle  
21 dealer with the schedule of compensation to be paid to the dealer for  
22 parts, work, and service and the time allowance for the performance of  
23 the work and service.

24 (2)(a) The schedule of compensation shall include compensation for  
25 diagnostic work, as well as repair service, parts, and labor. Time  
26 allowances for the diagnosis and performance of warranty work and service  
27 shall be adequate for a qualified technician to perform the work or  
28 service. A franchisor shall not unreasonably deny a written request  
29 submitted by a franchisee for modification of a franchisor's uniform time  
30 allowance for a specific warranty repair or unreasonably deny a request  
31 submitted by a franchisee for an additional time allowance for diagnostic

1 or repair work on a specific vehicle covered under warranty. Any such  
2 request shall include information and documentation reasonably necessary  
3 for the franchisor to assess the merits of the franchisee's request. In  
4 the determination of compensation under this section, the principal  
5 factors to be given consideration shall be the prevailing wage rates  
6 being paid by dealers in the community in which the dealer is doing  
7 business, and in no event shall the compensation of the dealer for  
8 warranty parts and labor be less than the rates charged by the dealer for  
9 like parts and service to retail or fleet customers. In determining  
10 prevailing wage rates, the rate of compensation for labor for that  
11 portion of repair orders for all recommended maintenance services shall  
12 not be used, including maintenance services relating to the following:  
13 Oil, filters, any fluids, brake pads, brake discs, brake drums, spark  
14 plugs, wiper blades, tire repair, or tire replacement.

15 (b)(i) For purposes of this section, compensation for parts may be  
16 determined by calculating the price paid by the dealer for parts,  
17 including all shipping and other charges, multiplied by the sum of one  
18 and the dealer's average percentage markup over the price paid by the  
19 dealer for parts purchased by the dealer from the manufacturer and sold  
20 at retail. The dealer may establish average percentage markup by  
21 submitting to the manufacturer one hundred sequential customer-paid  
22 service repair orders or ninety days of customer-paid service repair  
23 orders, whichever is less, covering repairs made no more than one hundred  
24 eighty days before the submission and declaring what the average  
25 percentage markup is. Within thirty days after receipt of the repair  
26 orders, the manufacturer may audit the submitted repair orders and  
27 approve or deny approval of the average percentage markup based on the  
28 audit. The average percentage markup shall go into effect forty-five days  
29 after the approval based on that audit. If the manufacturer denies  
30 approval of the average percentage markup declared by the dealer, the  
31 dealer may file a complaint with the board. The manufacturer shall have

1 the burden to prove that the denial was made pursuant to the Motor  
2 Vehicle Industry Regulation Act. If the board determines that the denial  
3 was not reasonable, the denial shall be deemed a violation of the Motor  
4 Vehicle Industry Regulation Act subject to the enforcement procedures of  
5 the act. When determining compensation for parts, only retail sales that  
6 do not involve warranty repairs shall be used and the rate of markup for  
7 all parts supplied on repair orders for recommended maintenance services  
8 shall not be used, including maintenance services relating to the  
9 following: Oil, filters, any fluids, brake pads, brake discs, brake  
10 drums, spark plugs, wiper blades, tire repair, or tire replacement. No  
11 manufacturer shall require a dealer to establish average percentage  
12 markup by a methodology, or by requiring information, that is unduly  
13 burdensome or time consuming to provide, including, but not limited to,  
14 part-by-part or transaction-by-transaction calculations. A dealer shall  
15 not request a change in the average percentage markup more than twice in  
16 one calendar year.

17 (ii)(A) If a franchisor furnishes, or causes to be furnished, a part  
18 to a dealer at no cost or at a reduced cost for use in performing  
19 warranty work, the franchisor shall compensate the dealer for the  
20 dealer's cost of the part, if any, plus an amount equal to the markup on  
21 the dealer's part. Such amount shall be multiplied by the fair wholesale  
22 value of the part.

23 (B) For purposes of subdivision (b)(ii) of this subsection, fair  
24 wholesale value of the part means the greatest of the following:

25 (I) The amount the dealer paid for the part;

26 (II) The cost of the part, at the time the part was furnished, in a  
27 price schedule of the franchisor; and

28 (III) The cost of a substantially identical part, at the time the  
29 part was furnished, in a price schedule of the franchisor.

30 (c)(i) A manufacturer or distributor may request up to one hundred  
31 additional repair orders different from those provided under subdivision

1 (2)(b) of this section from a dealer of the manufacturer or distributor  
2 to determine if such dealer's average percentage markup rate, retail  
3 labor rate, or both are materially different than the rates such dealer  
4 has declared with the manufacturer or distributor.

5 (ii) The manufacturer or distributor may adjust the subsequent rates  
6 paid by the manufacturer or distributor to such dealer if the  
7 manufacturer or distributor determines that such dealer's rates charged  
8 to customers for nonwarranty work are less than the rates currently being  
9 paid by the manufacturer or distributor to such dealer for warranty work.  
10 The manufacturer or distributor shall have thirty days from receiving all  
11 requested additional repair orders to rebut the new vehicle dealer's  
12 labor rate, average percentage markup rate, or both.

13 (iii) The additional repair orders specified in subdivision (2)(c)  
14 (i) of this section shall be:

15 (A) From a ninety-day period selected by the manufacturer or  
16 distributor within the most recent previous twelve-month period; and

17 (B) Repair orders selected by the dealer.

18 (iv) A request for repair orders under this subdivision (c) shall  
19 not be made within twelve months after any prior request under this  
20 subdivision (c).

21 (d) Nothing in this section prohibits a dealer and manufacturer or  
22 distributor from reaching an agreement on a mutually acceptable retail  
23 labor rate or average percentage markup rate.

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

25 (a) Fail to perform any warranty obligation;

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

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

1 (4) A dealer's claim for warranty compensation may be denied only  
2 if:

3 (a) The dealer's claim is based on a nonwarranty repair;

4 (b) The dealer lacks documentation for the claim;

5 (c) The dealer fails to comply with specific substantive terms and  
6 conditions of the franchisor's warranty compensation program; or

7 (d) The manufacturer has a bona fide belief based on competent  
8 evidence that the dealer's claim is intentionally false, fraudulent, or  
9 misrepresented.

10 (5) All claims made by a new motor vehicle dealer pursuant to this  
11 section for labor and parts shall be made within six months after  
12 completing the work and shall be paid within thirty days after their  
13 approval. All claims shall be either approved or disapproved by the  
14 manufacturer or distributor within thirty days after their receipt on a  
15 proper form generally used by the manufacturer or distributor and  
16 containing the usually required information therein. Any claim not  
17 specifically disapproved in writing within thirty days after the receipt  
18 of the form shall be considered to be approved and payment shall be made  
19 within thirty days. The manufacturer has the right to audit the claims  
20 for one year after payment, except that if the manufacturer has  
21 reasonable cause to believe that a claim submitted by a dealer is  
22 intentionally false or fraudulent, the manufacturer has the right to  
23 audit the claims for four years after payment. For purposes of this  
24 subsection, reasonable cause means a bona fide belief based upon evidence  
25 that the issues of fact are such that a person of ordinary caution,  
26 prudence, and judgment could believe that a claim was intentionally false  
27 or fraudulent. As a result of an audit authorized under this subsection,  
28 the manufacturer has the right to charge back to the new motor vehicle  
29 dealer the amount of any previously paid claim after the new motor  
30 vehicle dealer has had notice and an opportunity to participate in all  
31 franchisor internal appeal processes as well as all available legal

1 processes. The requirement to approve and pay the claim within thirty  
2 days after receipt of the claim does not preclude chargebacks for any  
3 fraudulent claim previously paid. A manufacturer may not deny a claim  
4 based solely on a dealer's incidental failure to comply with a specific  
5 claim processing requirement, such as a clerical error that does not put  
6 into question the legitimacy of the claim. If a claim is rejected for a  
7 clerical error, the dealer may resubmit a corrected claim in a timely  
8 manner.

9 (6) The warranty obligations set forth in this section shall also  
10 apply to any manufacturer of a new motor vehicle transmission, engine, or  
11 rear axle that separately warrants its components to customers.

12 ~~(7) This section does not apply to recreational vehicles.~~

13 **Sec. 71.** Sections 60-1420 to 60-1440 shall not apply to any person,  
14 or business entity, that is engaging in manufacturing, distributing, or  
15 selling new recreational vehicles as defined in section 4 of this act.

16 2. On page 1, line 3, strike "35" and insert "33"; and strike  
17 beginning with "applies" in line 5 through "after" in line 7 and insert  
18 "shall not apply to any agreement between dealers and manufacturers that  
19 was entered into prior to".

20 3. On page 2, line 13, strike "Recreational" and insert "Motor"; in  
21 line 16 strike "purchases" and insert "is licensed under the Motor  
22 Vehicle Industry Regulation Act to purchase"; and strike lines 23 and 24  
23 and insert the following new subdivision:

24 "(9) Licensee means any dealer, distributor, or manufacturer;".

25 4. On page 3, line 5, strike "engages" and insert "is licensed under  
26 the Motor Vehicle Industry Regulation Act to engage".

27 5. On page 4, line 24, after "to" insert "the Motor Vehicle Industry  
28 Regulation Act and".

29 6. On page 7, strike beginning with "(1)" in line 20 through line  
30 21; in line 22 strike "(2)" and insert "(1)"; strike lines 26 through 29;  
31 and in line 30 strike "(4)" and insert "(2)" and strike "2027" and insert

1 "2028".

2 7. On page 8, line 4, strike "31" and insert "29".

3 8. On page 10, line 8, strike "recreational vehicle dealer" and  
4 strike "Recreational" and insert "Motor"; in line 9 after "Act" insert  
5 "to sell recreational vehicles"; and in line 21 strike "12" and insert  
6 "10".

7 9. On page 12, line 23, strike "13" and insert "11"; in line 24  
8 strike "13" and insert "11"; and in line 26 strike "14" and insert "12".

9 10. On page 15, line 16, strike "19" and insert "17"; in line 23  
10 strike "Recreational" and insert "Motor"; and in line 28 strike "19" and  
11 insert "17".

12 11. On page 16, line 11, strike "19" and insert "17".

13 12. On page 23, line 25, strike "Recreational" and insert "Motor".

14 13. On page 25, line 9, strike "Recreational" and insert "Motor";  
15 and in line 15 strike "one thousand" and insert "five thousand".

16 14. On page 29, line 30, strike "41" and insert "39".

17 15. On page 30, line 5, strike "41" and insert "39".

18 16. On page 65, line 4, strike "57 and 59 to 61" and insert "55 and  
19 57 to 59"; and in line 10 strike "57" and insert "55".

20 17. On page 67, line 31, strike "59 to 61" and insert "57 to 59".

21 18. On page 77, lines 20 and 22, strike "Recreational" and insert  
22 "Motor".

23 19. On page 85, lines 20 through 23, strike the new matter and  
24 reinstate the stricken matter; in line 26 strike the new matter and  
25 reinstate the stricken matter; and strike lines 27 through 31.

26 20. On page 88, line 13, strike "2020", show as stricken, and insert  
27 "2025".

28 21. On page 90, line 25, strike "76" and insert "78".

29 22. On page 91, line 15, strike "34, 35, 64, 66, 68, 71, 72, and 78"  
30 and insert "62, 64, 65, 67, 68, 69, 70, 71, 74, and 80"; in line 18  
31 strike "and 60-2701," and insert ", 60-1430.02, and 60-1437,"; in line 19

- 1 strike "60-1438.01" and insert "60-1401, 60-1438.01,"; and in line 20
- 2 strike "section 60-6,290," and insert "sections 60-6,290 and 60-1438,".
- 3 23. Renumber the remaining sections accordingly.