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HOUSE BILL NO. 1320

Offered January 22, 1996

A BILL to amend the Code of Virginia by adding in Chapter 8 of Title 29.1 an article numbered 4, consisting of a section numbered 29.1-828, relating to watercraft warranties.

Patrons—Councill, Guest and Thomas

Referred to Committee for Courts of Justice

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 8 of Title 29.1 an article numbered 4, consisting of a section numbered 29.1-828 as follows:

Article 4.

Compensation for Watercraft, Motor, and Accessory Warranty Work.

§ 29.1-828. Warranty work.

A. If a manufacturer requires or permits a dealer to provide parts or to perform labor to satisfy a warranty created by the manufacturer, the manufacturer shall:

1. Properly and promptly fulfill its warranty obligations;

2. Adequately and fairly compensate the dealer for any parts provided, shipping costs for parts provided, and labor performed by the dealer to satisfy the warranty on a watercraft, its hull, motor/engine and component parts, spars, sails, and accessories. Compensation shall cover necessary hauling and launching activities.

B. Compensation by the manufacturer for parts provided, shipping costs for parts provided, and labor performed by the dealer shall be deemed adequate and fair if:

1. The dealer is reimbursed for any parts provided and the shipping costs for those parts in an amount equal to 100 percent of the dealer's costs and shipping costs of the parts to the dealer, plus 20 percent of the dealer costs or \$250, whichever is less.

2. The dealer is reimbursed for any labor performed at the retail rate customarily charged.

C. To be entitled to compensation from the manufacturer for labor at the dealer's retail rate, the dealer shall post in a place conspicuous to customers the rate for labor for nonwarranty work.

D. A manufacturer shall not, by agreement, by restrictions on reimbursement, or otherwise, restrict the nature or extent of parts provided or labor performed by a dealer if such restriction impairs the dealer's ability to satisfy a warranty created by the manufacturer in accordance with generally accepted standards.

E. A claim by a dealer for compensation for parts provided, shipping costs for those parts, and labor performed to satisfy a warranty shall be approved or disapproved by the manufacturer in writing within 30 days of receipt of the claim by the manufacturer.

F. A claim that is approved shall be paid within 30 days after approval.

G. If a manufacturer disapproves a claim, the written notice of disapproval required by subsection E shall contain the specific reasons for disapproval.

H. If a manufacturer fails to pay a warranty claim within 30 days after the approval, the dealer can charge the manufacturer interest up to the rate of 1 1/2 percent per month (18 percent per annum).

I. A manufacturer shall be liable to the dealer for any financial injury or other damage suffered by the dealer as a result of a violation of this article plus court costs and reasonable attorney's fees.

J. The provisions of this article are in addition to all legal or equitable remedies available at law and any agreement between the manufacturer and dealer.

K. The manufacturer shall hold harmless the dealer for the costs of any legal action, such as, court costs and reasonable attorney's fees, and fines, brought by an owner against a dealer.

INTRODUCED

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