

## Committee Substitute for Senate Bill No. 1206

An act relating to warranty responsibility for motor vehicle dealers; amending s. 320.696, F.S.; providing that reasonable compensation for work, including labor and parts, is the same under warranty as under other circumstances unless the motor vehicle manufacturer, distributor, or importer demonstrates that the charges are proper; prohibiting a motor vehicle manufacturer, distributor, or importer from imposing a charge on a motor vehicle dealer for warranty work and certain products; providing an effective date.

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

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

320.696 Warranty responsibility.—The licensee shall reasonably and timely compensate any authorized motor vehicle dealer who performs work, including labor and parts, to rectify the licensee's product or warranty defects or fulfills delivery and preparation obligations. In the determination of what constitutes reasonable compensation under this section, the factors to be given consideration shall include, among others, the compensation being paid by other licensees to their dealers, the prevailing wage rate being paid by the dealers, and the prevailing labor rate being charged by the dealers, in the city or community in which the dealer is doing business. For the purpose of this section, reasonable compensation for work, including labor and parts, by a motor vehicle dealer for warranty repairs or service, including labor and parts, on behalf of a licensee shall ~~not~~ be determined to be equal to ~~less than~~ the amount charged by the dealer for like work to retail customers for nonwarranty repairs and service, including labor and parts, unless the licensee has demonstrated ~~can demonstrate~~ and established ~~establish~~ in a proceeding before the department that the dealer's retail charges for labor and parts are improper in light of all economic circumstances. Compensation not paid within 30 days ~~after~~ of receipt or notice of billing ~~is shall be~~ presumed untimely. A licensee may not otherwise recover, or seek to recover, any of its costs for compensating a motor vehicle dealer for warranty work, including labor and parts, by imposing on a motor vehicle dealer any charge or surcharge to the wholesale price paid by a motor vehicle dealer to the licensee for any product, including motor vehicles and parts.

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

Approved by the Governor June 20, 2007.

Filed in Office Secretary of State June 20, 2007.