



**Legislative Council Staff**

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**Fiscal Note**

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**Drafting Number:** LLS 23-0194 **Date:** February 8, 2023  
**Prime Sponsors:** Sen. Fields; Van Winkle **Bill Status:** Senate Business  
Rep. Jodeh; Lynch **Fiscal Analyst:** Josh Abram | 303-866-3561  
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**Bill Topic:** **MANUFACTURER PAY DEALER MOTOR VEHICLE WARRANTY**

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**Summary of Fiscal Impact:**  State Revenue  TABOR Refund  
 State Expenditure  Local Government  
 State Transfer  Statutory Public Entity

The bill adjusts the conditions for a vehicle manufacturer to reimburse a vehicle dealership for performing service under a warranty. The bill minimally increases state workload on an ongoing basis.

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**Appropriation Summary:** No appropriation is required.

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**Fiscal Note Status:** The fiscal note reflects the introduced bill.

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**Summary of Legislation**

Under current law, a car manufacturer pays a car dealership for warranty repairs based on the dealer’s charges for parts and labor. The bill requires that the manufacturers pay the dealer the retail labor rate multiplied by the applicable time allowances prescribed in the labor time guide used by the dealer. The bill also modifies the circumstances under which a manufacturer may contest the accuracy of charges made by the car dealer.

**Background**

Motor vehicle and other power sport manufacturers are regulated by the Department of Revenue (DOR), and car dealerships are regulated by the Colorado Motor Vehicle Dealer Board (MVDB) in the Auto Industry Division (AID) of the DOR. This bill falls under the enforcement purview of the AID.

**State Expenditures**

The bill may minimally increase workload in the AID to address issues as they arise between dealers and manufacturers. This fiscal note assumes a high degree of compliance by auto dealers and manufacturers, and any change in workload can be accomplished within existing appropriations.

## **Effective Date**

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, and applies to warranty repairs made on or after that date.

## **State and Local Government Contacts**

Revenue