

Explanation of amendments contained within SB18-029, Amendment L.030
(Prepared at the request of Rep. Kraft-Tharp)

1. **Lines 1-3 of L.030** – Page 3, Lines 22-23 of the Reengrossed Bill. This amendment is a technical amendment clarifying the definition of “Part” and avoiding conflict with the definition of “Non-Warranty Repair.”
2. **Lines 4-6 of L.030** – At Page 4, line 23 of the Reengrossed Bill is a hard fought compromise ensuring that retail labor rate and retail parts mark-up are “reasonable” within the requirements of the bill. “Reasonable” would not mean someone’s out of context subjective opinion of rate changes. For example, if a rate is to change under the requirements of the bill by 10%, an interested party might feel that a 10% increase is an “unreasonable” increase. Someone might even feel that a 10% rate increase is “outrageous”. But, if in compliance with the requirements of the bill, a 10% rate increase is warranted, with this amendment, the 10% rate increase is not unreasonable. This amendment will assist manufacturers and dealers in their negotiations and, if necessary, the amendment will assist a court determine what is “reasonable”.
3. **Line 7 of L.030** – Page 5, line 23 of the Reengrossed Bill. This amendment adds specificity by adding a 10% objective standard in place of the subjective description “substantially”. If the calculation of a rate is 10% higher or lower than the current rate, a manufacturer may request additional repair orders. The objective standard avoids the situation where additional repair orders would be requested as a matter of course in every case.
4. **Lines 8-10 of L.030** - Page 5, line 27 of the Reengrossed Bill. This suggested amendment adds clarity to the time frame within which repair orders are to be assembled for labor rate adjustments.
5. **Lines 11-13 of L.030** - Page 6, line 4 of the Reengrossed Bill. Similar to the immediately preceding amendment, this suggested amendment adds clarity to the time frame within which repair orders are to be assembled for parts mark-up percentages.
6. **Lines 14-17 of L.030** - Page 8, lines 20-21 of the Reengrossed Bill. This amendment will limit the comparison of calculated rates to rates of other same line make dealers on an apples-to-apples basis. The only rates that will be compared are “retail rates”.
7. **Lines 18-19 of L.030** - Page 9, line 7 of the Reengrossed Bill. This amendment adds language which allows the manufacturer to modify the grounds for contesting a rate to the circumstances involving the discovery of new information, not the drip-drip-drip parceling out of the bases for contesting the calculated rate.
8. **Lines 20-30 of L.030** – Page 11, Lines 18-20 correct a clerical error by removing language from an earlier draft of the bill.

There will be a separate amendment regarding Recreational Vehicle Warranty Reimbursement