

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

HOUSE BILL NO. 2540

By: Thomas

AS INTRODUCED

An Act relating to the Uniform Commercial Code;

providing for certain warranty claims; specifying such claims; providing for certain requirements and procedures relating to such claim; defining terms; providing for codification; providing an effective date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-715a of Title 12A, unless there is created a duplication in numbering, reads as follows:

Warranty claim.

(a) This section applies to a warranty claim submitted by a dealer:

- (i) While the dealer agreement is in effect; or
- (ii) After the termination of the dealer agreement, if the claim is for work performed before the effective date of the termination.

(b) Not later than the thirtieth day after the date a supplier receives a warranty claim from a dealer, the supplier shall accept or reject the claim. A claim not rejected before the deadline is deemed accepted.

(c) Not later than the thirtieth day after the date the claim is accepted or rejected, the supplier shall:

- (i) Pay an accepted claim; or
- (ii) Send the dealer written notice of the grounds for rejection of a rejected claim.

(d) A supplier that pays a claim, including a supplier of an electric engine or motor, may not pay less than the hourly labor rate and other expenses involved in the work that the dealer regularly charges to a retail customer who does not assert a warranty and the net price of the dealer plus fifteen percent (15%) for parts. The number of hours of labor claimed may not exceed one and one-half (1 1/2) times the supplier's recommended hours for the repair involved.

(e) For purposes of this section:

- (i) "Dealer" means a person in the business of the retail sale of equipment. The term does not include a person whose principal business is the sale of off-road construction equipment;
- (ii) "Equipment" means farm tractors, farm implements, utility tractors, industrial tractors, and outdoor power equipment and the attachments to or repair parts for the those items; and
- (iii) "Supplier" means a person engaged in the manufacture, assembly, or wholesale distribution of equipment and the person's successors in interest, including a purchaser of assets or stock or a surviving corporation resulting from a merger, liquidation, or reorganization.

SECTION 2. This act shall become effective July 1, 1998.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby

declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

46-2-7993

MCD