

SHORT TITLE: Warranties; requiring supplier to accept or reject dealer's warranty claim within certain time period; codification; effective date.

STATE OF OKLAHOMA

1st Session of the 46th Legislature (1997)

SENATE BILL NO. 409

By: Kerr

AS INTRODUCED

An Act relating to warranties; requiring supplier to accept or reject dealer's warranty claim within certain time period; requiring supplier to pay accepted claim or provide written notice of rejection of claim within certain time period; prohibiting payment of less than certain amount for certain services; prohibiting certain actions of supplier and providing exceptions; providing for codification; and providing an effective date.

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 851 of Title 71, unless there is created a duplication in numbering, reads as follows:

A. This section shall apply to a claim for payment for services performed for a customer pursuant to a warranty issued by the dealer's supplier:

1. While a dealer agreement is in effect which authorizes the dealer to perform services pursuant to a warranty; or

2. After the termination of such a dealer agreement, if the claim is for work performed before the effective date of the termination.

B. Not later than thirty (30) days after the date a supplier receives a warranty claim from a dealer, the supplier shall accept or reject the claim. A claim rejected after the deadline is deemed accepted.

C. Not later than thirty (30) days after the date a claim is accepted or rejected, the supplier shall:

1. Pay an accepted claim; or
2. Send the dealer written notice of the reason for rejection of the claim.

D. A supplier who pays a claim may not pay less than the amount the dealer regularly charges for the labor, parts, and other expenses involved in performing the same or similar services for a retail customer who does not assert a warranty.

E. After payment of a claim, a supplier may not charge back, set off, or otherwise attempt to recover all or part of the amount of the claim unless:

1. The claim was fraudulent;
2. The services for which the claim was made were not properly performed or were unnecessary to comply with the warranty; or
3. The dealer did not substantiate the claim according to the written requirements of the supplier in effect when the claim arose.

SECTION 2. This act shall become effective November 1, 1997.

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