

SENATE FILE NO. SF0106

Motor vehicle dealer and manufacturer warranty rates.

Sponsored by: Senator(s) Barlow, Anderson, Cooper, Crum and Pappas and Representative(s) Brown, L, Clouston, Geringer and Haroldson

A BILL

for

1 AN ACT relating to motor vehicles; authorizing new vehicle
2 dealers to establish hourly labor rates and retail parts
3 markup rates to be charged for warranty repairs; specifying
4 procedures for establishing and calculating the rates;
5 providing exceptions; requiring mediation; providing a
6 civil cause of action; providing definitions; and providing
7 for an effective date.

8

9 *Be It Enacted by the Legislature of the State of Wyoming:*

10

11 **Section 1.** W.S. 31-16-117(b), (d) and by creating new
12 subsections (f) through (t) is amended to read:

13

14 **31-16-117. Payment for delivery preparation,**
15 **warranty, sales incentives and service incentives.**

1

2 (b) No schedule of compensation shall fail to include
3 reasonable compensation for diagnostic work, repair service
4 and labor. Time allowances for the diagnosis and
5 performance of warranty work and service shall be
6 reasonable and adequate for the work to be performed. The
7 hourly labor rate charged by the dealer for warranty
8 service shall not exceed the hourly labor rate charged to
9 nonwarranty customers for nonwarranty service and repairs,
10 provided that rate is reasonable and complies with the
11 requirements of this section. Reimbursement for parts
12 purchased by the dealer for use in performing work pursuant
13 to a manufacturer's express warranty shall be dealer cost
14 plus ~~thirty percent (30%)~~ the dealer's retail parts markup
15 rate, provided that rate is reasonable and complies with
16 the requirements of this section.

17

18 (d) All claims made by new vehicle dealers for
19 predelivery preparation, warranty, sales incentives or
20 service incentives shall be paid or credited within thirty
21 (30) days following their approval. The manufacturer may
22 audit claims and charge the dealer for unsubstantiated or
23 incorrect claims for a period of one (1) year following

1 payment except where the manufacturer reasonably suspects
2 fraud. A manufacturer that reasonably suspects fraud may
3 audit claims for a period of four (4) years and charge the
4 dealer for fraudulent claims as otherwise provided by law.
5 All claims shall be either approved or disapproved within
6 thirty (30) days after their receipt, on forms or by
7 computerized communication and in the manner specified by
8 the manufacturer including a computerized communications
9 system. Any claim not specifically disapproved in writing
10 or through electronic communication within thirty (30) days
11 after receipt is construed to be approved and payment shall
12 be made within thirty (30) days. A dealer whose claim has
13 been denied for failing to comply with a specific claim
14 processing requirement, including a clerical error or other
15 administrative technicality that does not question the
16 legitimacy of the claim, may resubmit the corrected claim
17 in accordance with this subsection.

18

19 (f) A new vehicle dealer may establish an hourly
20 labor rate or a retail parts markup rate charged for
21 warranty repairs to be included in the manufacturer's
22 schedule of compensation by mutual agreement with the
23 manufacturer or by submitting to the manufacturer, in

1 accordance with the manufacturer's reasonable procedures,
2 the following:

3
4 (i) The consecutive repair orders charged to
5 nonwarranty customers for nonwarranty service and repairs
6 made within one hundred eighty (180) days before the dealer
7 made its submission under this subsection that includes one
8 hundred (100) sequential repair orders reflecting qualified
9 repairs or all repair orders closed during any period of
10 ninety (90) consecutive days, whichever is less; and

11
12 (ii) The dealer's proposed hourly labor rate or
13 retail parts markup rate based on the repair orders
14 submitted under paragraph (i) of this subsection and as
15 calculated under subsections (h) through (k) of this
16 section.

17
18 (g) A new vehicle dealer shall not establish an
19 hourly labor rate, a retail parts markup rate or both under
20 subsection (f) of this section more than one (1) time every
21 twelve (12) months unless the rate is established by mutual
22 agreement with the manufacturer. Any rate established under

1 this section shall remain in the manufacturer's schedule of
2 compensation until changed in accordance with this section.

3

4 (h) A new vehicle dealer's hourly labor rate shall be
5 calculated by dividing the total amount charged for labor
6 for the qualified repair orders submitted pursuant to
7 subsection (f) of this section by the total number of hours
8 worked for the qualified repair orders.

9

10 (j) A new vehicle dealer's retail parts markup rate
11 shall be a percentage amount calculated by dividing the
12 total amount charged for the parts in the qualified repair
13 orders submitted pursuant to subsection (f) of this section
14 by the total cost of the purchase of the parts, subtracting
15 one (1) from that amount and multiplying by one hundred
16 (100).

17

18 (k) The following work shall not be included in the
19 calculation of a new vehicle dealer's hourly labor rate or
20 retail parts markup rate:

21

1 (i) Repairs that are the subject of a
2 manufacturer's discounts including special events,
3 specials, promotions, coupons and service campaigns;

4
5 (ii) Repairs of vehicles owned by the dealer;

6
7 (iii) Routine maintenance, including but not
8 limited to routine replacements of fluids, filters,
9 batteries, bulbs, belts, nuts, bolts or fasteners;

10
11 (iv) Installations of accessories;

12
13 (v) Vehicle reconditioning;

14
15 (vi) Safety or emission inspections as required
16 by federal or state law;

17
18 (vii) Repairs caused by collision, road hazard,
19 force of elements, vandalism, theft or operator negligence;

20
21 (viii) Parts that do not have individual part
22 numbers;

23

1 (ix) Internal and dealership employee service
2 and repair orders;

3
4 (x) Repair orders where labor is performed by a
5 third party facility.

6
7 (m) Not later than thirty (30) days from receipt of
8 the new vehicle dealer's submission under subsection (f) of
9 this section, a new vehicle manufacturer may request that
10 the dealer submit additional repair orders if the
11 manufacturer determines from any set of repair orders
12 submitted under paragraph (f)(i) of this section that the
13 dealer's submitted rate is substantially higher or lower
14 than the rate currently on record in the manufacturer's
15 schedule of compensation. The additional repair orders
16 submitted under this subsection shall be for a period of
17 thirty (30) days before or thirty (30) days after the
18 period of time that the original repair orders were
19 submitted under paragraph (f)(i) of this section. A dealer
20 shall submit the additional repair orders requested under
21 this subsection not later than thirty (30) days after
22 receipt of the request. No manufacturer shall request
23 additional repair orders under this subsection more than

1 one (1) time per a dealer's submission under subsection (f)
2 of this section.

3
4 (n) A new vehicle manufacturer may contest a new
5 vehicle dealer's submitted rate by providing written notice
6 to the dealer not later than thirty (30) days after receipt
7 of the dealer's submission under subsection (f) or (m) of
8 this section. The manufacturer shall not modify its notice
9 under this subsection including the grounds for contesting
10 the submitted rate after the manufacturer sends its notice
11 to the dealer. The notice under this subsection shall:

12
13 (i) Explain the reasons why the dealer's
14 submitted rate is materially incomplete, materially
15 inaccurate or materially unreasonable;

16
17 (ii) Provide evidence to substantiate why the
18 submitted rate is materially incomplete, materially
19 inaccurate or materially unreasonable;

20
21 (iii) Propose an adjustment to the submitted
22 rate.

23

1 (o) If a new vehicle manufacturer does not request
2 additional repair orders under subsection (m) of this
3 section or contest the new vehicle dealer's submitted rate
4 under subsection (n) of this section then the dealer's
5 submitted rate shall become effective and shall be included
6 in the manufacturer's schedule of compensation forty-five
7 (45) days after the manufacturer receives the dealer's
8 submission under subsection (f) or (m) of this section.

9
10 (p) If a new vehicle manufacturer contests a new
11 vehicle dealer's submitted rate under subsection (n) of
12 this section then the manufacturer and the dealer shall
13 participate in mediation. The mediation process shall
14 terminate after sixty (60) days unless extended by
15 unanimous mutual agreement.

16
17 (q) Upon the expiration of the mediation period under
18 subsection (p) of this section, a new vehicle dealer may
19 file a civil cause of action in any court of competent
20 jurisdiction not later than sixty (60) days after the
21 expiration of the mediation period. In a civil action
22 brought under this subsection, the new vehicle manufacturer
23 shall have the burden of proving by a preponderance of the

1 evidence that the dealer's submitted rate was materially
2 incomplete, materially inaccurate or materially
3 unreasonable.

4
5 (r) This section shall not apply to:

6
7 (i) Electric vehicle propulsion batteries
8 provided to the new vehicle dealer at no cost, provided
9 that the new vehicle manufacturer pays a reasonable
10 handling fee to the dealer;

11
12 (ii) Complete engine and transmission assemblies
13 replaced under warranty or other new vehicle manufacturer
14 reimbursed repairs. For these assemblies, the manufacturer
15 shall reimburse the new vehicle dealer for the dealer's
16 costs for the parts purchased by the dealer for use in
17 performing the work pursuant to the manufacturer's express
18 warranty plus forty percent (40%).

19
20 (s) If a new vehicle manufacturer provided a part to
21 a new vehicle dealer at no cost to perform repairs under a
22 manufacturer campaign, service action or warranty repair,
23 the manufacturer shall provide to the dealer an amount

1 equal to the retail parts markup for that part. The retail
2 parts markup under this subsection shall be calculated by
3 multiplying the dealer's cost for the part as listed in the
4 manufacturer's price schedule by the retail parts markup
5 rate established under this section.

6
7 (t) As used in this section:

8
9 (i) "Mediation" means the act of a neutral
10 person in intermediating between or among contending
11 parties with a view of assisting them to adjust or settle
12 their dispute by mutual agreement;

13
14 (ii) "Parts" means parts, accessories,
15 equipment, components, systems and functions including rear
16 axle assemblies and replacements of parts, accessories,
17 equipment, components, systems and functions;

18
19 (iii) "Qualified repair" means a repair to a
20 motor vehicle that would have been included within the new
21 vehicle manufacturer's new motor vehicle warranty if:

22

1 (A) The motor vehicle that is being
2 repaired had not exceeded the time or mileage limit, or
3 both, of the warranty;

4
5 (B) The repair does not constitute a repair
6 that is covered by the warranty; and

7
8 (C) The repair does not include any of the
9 work described in W.S. 31-16-117(k).

10
11 (iv) "Qualified repair order" means a repair
12 order that encompasses, in whole or in part, at least one
13 (1) qualified repair;

14
15 (v) "Repair order" means an accounting copy of
16 an invoice issued to a retail customer that is closed as of
17 the time of submission that evidences at least one (1)
18 repair on a motor vehicle. A "repair order" shall include:

19
20 (A) For a retail parts markup rate
21 submission, the cost of each part and the part's sale price
22 including parts sold or used and the total amount charged
23 to the customer;

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(B) For an hourly labor rate submission, the number of labor hours charged for each repair, the sale price for the labor and the total amount charged to the customer.

Section 2. This act is effective July 1, 2025.

(END)