§1439-A. Warranty

- 1. Warranty obligations. A warrantor shall:
- A. Specify in writing to a dealer the dealer's obligations, if any, for preparation, delivery and warranty service on products covered by the warrantor; [PL 2009, c. 562, §21 (NEW).]
- B. Compensate the dealer for warranty service required of a dealer by the warrantor; and [PL 2009, c. 562, §21 (NEW).]
- C. Provide a dealer the schedule of compensation to be paid and the time allowances for the performance of any work and service. The schedule of compensation must include reasonable compensation for diagnostic work as well as warranty labor. [PL 2009, c. 562, §21 (NEW).] [PL 2009, c. 562, §21 (NEW).]
- **2. Time allowances; reasonable compensation.** Time allowances set by the manufacturer for the diagnosis and performance of warranty labor must be reasonable for the work to be performed. In the determination of what constitutes reasonable compensation under this section, the principal factor to be given consideration is the actual retail labor rate being charged by the dealers in the community in which the dealer is doing business. The compensation of a dealer for warranty labor may not be less than the average retail labor rates actually charged by the dealer for like nonwarranty labor as long as those rates are reasonable.

[PL 2009, c. 562, §21 (NEW).]

3. Reimbursement for warranty parts. A warrantor shall reimburse a dealer for warranty parts at actual wholesale cost plus a minimum 30% handling charge and the cost, if any, of freight to return warranty parts to the warrantor.

[PL 2009, c. 562, §21 (NEW).]

4. Audits. A warrantor may conduct warranty audits of dealer records on a reasonable basis, and dealer claims for warranty compensation may not be denied except for cause, such as performance of nonwarranty repairs, material noncompliance with the warrantor's published policies and procedures, lack of material documentation, fraud or misrepresentation.

[PL 2009, c. 562, §21 (NEW).]

5. Claims. A dealer shall submit warranty claims within 45 days after completing warranty service and repairs.

[PL 2009, c. 562, §21 (NEW).]

- **6. Notice for inability to perform warranty repairs.** A dealer shall immediately notify the warrantor orally or in writing if the dealer is unable to perform any warranty repairs within 10 days of receipt of an oral or written complaint from a customer.
- [PL 2009, c. 562, §21 (NEW).]
- 7. Claims not approved. A warrantor shall approve or disapprove a warranty claim in writing within 45 days after the date of submission by a dealer in the manner and form prescribed by the warrantor. Claims not specifically disapproved in writing within 45 days are deemed to be approved and must be paid within 60 days of submission.

[PL 2009, c. 562, §21 (NEW).]

- **8. Duties of warrantor.** A warrantor:
- A. Shall perform its warranty obligations under this subsection with respect to its warranted products; [PL 2009, c. 562, §21 (NEW).]
- B. Shall include in written notices of factory campaigns to recreational vehicle owners and dealers the expected date by which necessary parts and equipment, including tires and chassis or chassis parts, will be available to dealers to perform the campaign work. The warrantor may ship parts to

the dealer to effect the campaign work, and, if such parts are in excess of the dealer's requirements, the dealer may return unused parts to the warrantor for credit after completion of the campaign; [PL 2009, c. 562, §21 (NEW).]

- C. Shall compensate dealers for authorized repairs performed by the dealer on merchandise damaged in manufacture or transit to the dealer, if the carrier is designated by the warrantor, factory branch, distributor or distributor branch; [PL 2009, c. 562, §21 (NEW).]
- D. Shall compensate dealers in accordance with the schedule of compensation provided to the dealer pursuant to subsection 1, paragraph C if the work or service is performed in a timely and competent manner; [PL 2009, c. 562, §21 (NEW).]
- E. May not intentionally misrepresent in any way to a purchaser of a recreational vehicle that warranties with respect to the manufacture, performance or design of the vehicle are made by the dealer as warrantor or cowarrantor; and [PL 2009, c. 562, §21 (NEW).]
- F. May not require a dealer to make warranties to customers in any manner related to the manufacture of the recreational vehicle. [PL 2009, c. 562, §21 (NEW).]

[PL 2009, c. 562, §21 (NEW).]

9. Duties of dealer. A dealer:

- A. Shall perform predelivery inspection functions, as specified by the warrantor, in a competent and timely manner; [PL 2009, c. 562, §21 (NEW).]
- B. Shall perform warranty service or work authorized by the warrantor in a competent and timely manner on any transient customer's vehicle of the same line make or as otherwise authorized by the warrantor; [PL 2009, c. 562, §21 (NEW).]
- C. Shall accurately document the time spent completing each repair, the total number of repair attempts conducted on a single vehicle and the number of repair attempts for the same repair conducted on a single vehicle; [PL 2009, c. 562, §21 (NEW).]
- D. Shall notify the warrantor within 10 days of a 2nd repair attempt that impairs the use, value or safety of a vehicle; [PL 2009, c. 562, §21 (NEW).]
- E. Shall maintain written records, including a customer's signature, regarding the amount of time a vehicle is stored for the customer's convenience during a repair; and [PL 2009, c. 562, §21 (NEW).]
- F. May not make fraudulent warranty claims or misrepresent the terms of a warranty. [PL 2009, c. 562, §21 (NEW).]

[PL 2009, c. 562, §21 (NEW).]

10. Manufacturer audit of claims. A manufacturer is permitted to audit claims within an 18-month period from the date the claim was paid or credit issued by the manufacturer and to charge back any false or unsubstantiated claims. If there is evidence of fraud, this subsection does not limit the right of the manufacturer to audit for longer periods and charge back for any fraudulent claim.

[PL 2009, c. 562, §21 (NEW).]

SECTION HISTORY

PL 2009, c. 562, §21 (NEW).

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