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Sixty-fourth
Legislative Assembly
of North Dakota

Introduced by

Senator J. Lee

FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2235

A BILL for an Act to create and enact a new section to chapter 51-07 of the North Dakota Century Code, relating to warranty work compensation for outdoor power equipment.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 51-07 of the North Dakota Century Code is created and enacted as follows:

Warranty work compensation - Outdoor power equipment.

1. As used in this section:
   a. "Manufacturer" means a person that manufactures or assembles outdoor power equipment, sells outdoor power equipment directly or through a distributor to a retailer of outdoor power equipment, and provides a warranty.
   b. "Outdoor power equipment" includes light industrial power lawn and garden equipment, hand-held power lawn and garden equipment, and power snow removal equipment and includes small engines and other power sources that operate such equipment.
   c. "Retailer" means a business that purchases outdoor power equipment for resale.
2. If a manufacturer authorizes a retailer to perform warranty work on outdoor power equipment, the manufacturer shall provide the retailer reasonable compensation for the warranty work, including related diagnostic work, repair services, parts, and labor.
3. To be reasonable compensation as required under this section:
   a. Time allowances for diagnostic and performance of warranty work and service must be adequate for the work performed.
   b. Hourly labor rates paid by the manufacturer to the retailer for warranty services may not be less than the rates charged by the retailer for like service to nonwarranty customers for nonwarranty service.

c. Reimbursement by the manufacturer for parts used in the performance of warranty repair may not be less than the amount paid by the retailer to acquire the parts, plus a reasonable allowance for handling which may not be less than twenty percent of the amount paid by the retailer to acquire the parts.