



2021 South Dakota Legislature
Senate Bill 101
ENROLLED

AN ACT

ENTITLED An Act to revise provisions regarding warranty agreements with certain repair facilities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That a NEW SECTION be added:

32-6B-58.1. Franchisor or manufacturer--Duties--Separate warranty for an engine, transmission, or rear axle--Disposition of dealer and customer claims.

A franchisor or manufacturer that provides a separate warranty for an engine, transmission, or rear axle installed in a commercial medium- and heavy-duty on-highway vehicle, as defined in 49 U.S.C. § 32901(a)(7) as of January 1, 2021, shall compensate any authorized repair facility that performs warranty work to repair or replace the engine, transmission or rear axle upon the same terms and conditions as provided in § 32-6B-61 for compensation of warranty work performed by a vehicle dealer. The franchisor or manufacturer shall pay all claims made by the facility for the labor and parts within thirty days following approval. The franchisor or manufacturer shall either approve or disapprove the claim within thirty days after receiving the claim. If a claim is disapproved, the facility that submitted the claim shall be notified in writing of the claim's disapproval within the thirty-day period. Any claim rejected for technical reasons may be put into proper form by the facility. Any claim resubmitted by the facility within thirty days after the receipt of the claim shall be considered to be approved and payment shall be made within thirty days. The franchisor or manufacturer has the right to audit any facility's claim for a period of one year after the claim is paid to the facility and to charge back to the facility the amount of any unsubstantiated claim. If there is evidence of fraud by the facility, the audit period is two years from the actual or constructive notice of facts constituting the alleged fraud.

An Act to revise provisions regarding warranty agreements with certain repair facilities.

I certify that the attached Act originated in the:

Received at this Executive Office this ____ day of _____,

Senate as Bill No. 101

2021 at _____ M.

Secretary of the Senate

By _____
for the Governor

President of the Senate

The attached Act is hereby approved this _____ day of _____, A.D., 2021

Attest:

Secretary of the Senate

Governor

STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

Speaker of the House

Attest:

Filed _____, 2021
at _____ o'clock __ M.

Chief Clerk

Secretary of State

Senate Bill No. 101
File No. _____
Chapter No. _____

By _____
Asst. Secretary of State