



2020 South Dakota Legislature

House Bill 1091

Introduced by: **Representative Goodwin**

1 **An Act to revise provisions regarding the compensation of merchandise dealers for**
 2 **diagnostic and warranty work.**

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

4 **Section 1.** That § 37-5-12.4 be AMENDED:

5 **37-5-12.4. Merchandise manufacturer or supplier compensation of dealer**
 6 **for diagnostic and warranty work.**

7 Any manufacturer or supplier of merchandise as defined in subdivision 37-5-
 8 12.2(5), (8), or (9) that authorizes a dealer of such merchandise to perform the warranty
 9 work is obligated to provide that dealer reasonable compensation for diagnostic work, as
 10 well as repair service, parts, and labor to the dealer. Time allowances for diagnostic and
 11 performance of warranty work and service shall be adequate for the work to be performed.
 12 The hourly labor rate paid to the dealer for warranty services may not be less than the
 13 rate charged by the dealer for like service to nonwarranty customers for nonwarranty
 14 service. Reimbursement for parts used in the performance of warranty repair may not be
 15 less than the current retail rate customarily charged by the dealer for the part or parts.