
SENATE BILL 6301

State of Washington 55th Legislature 1998 Regular Session

By Senators Schow, Horn, Franklin and Heavey

Read first time 01/15/98. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to franchise agreements between motor vehicle
2 manufacturers and dealers; and adding a new section to chapter 46.96
3 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 46.96 RCW
6 to read as follows:

7 (1) Each manufacturer shall specify in its franchise agreement, or
8 in a separate written agreement, with each of its dealers licensed in
9 this state, the dealer's obligation to perform warranty work or service
10 on the manufacturer's products. Each manufacturer shall provide each
11 of its dealers with a schedule of compensation to be paid to the dealer
12 for any warranty work or service, including parts, labor, and
13 diagnostic work, required of the dealer by the manufacturer in
14 connection with the manufacturer's products.

15 (2) All claims for warranty work for parts and labor made by
16 dealers under this section shall be paid by the manufacturer within
17 thirty days following receipt, provided the claim has been approved by
18 the manufacturer. The manufacturer has the right to audit claims for
19 warranty work and to charge the dealer for any unsubstantiated,

1 incorrect, or false claims for a period of one year following payment.
2 However, the manufacturer may audit and charge the dealer for any
3 fraudulent claims during any period for which an action for fraud may
4 be commenced under applicable state law.

5 (3) All claims submitted by dealers on the forms and in the manner
6 specified by the manufacturer shall be either approved or disapproved
7 within thirty days following their receipt. The manufacturer shall
8 notify the dealer in writing of any disapproved claim, and shall set
9 forth the reasons why the claim was not approved. Any claim not
10 specifically disapproved in writing within thirty days following
11 receipt is approved, and the manufacturer is required to pay that claim
12 within thirty days of receipt of the claim.

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