1	HOUSE BILL 570
2	43rd LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997
3	INTRODUCED BY
4	EDWARD C. SANDOVAL
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10	AN ACT
11	RELATING TO MOTOR VEHICLE DEALER FRANCHISES; LIMITING THE TIME
12	PERIOD FOR CERTAIN AUDITS.
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14	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:
15	Section 1. Section 57-16-7 NMSA 1978 (being Laws 1973,
16	Chapter 6, Section 7, as amended) is amended to read:
17	"57-16-7. WARRANTY CLAIMSPAYMENT
18	A. Every manufacturer, distributor or representative
19	shall properly fulfill any warranty agreement and adequately and
20	fairly compensate each of its motor vehicle dealers for labor,
21	parts and other expenses incurred by the dealer to perform the
22	required warranty repairs. All compensation for labor shall be
23	the same as the dealer would have made to and collected from an
24	individual retail customer for the same repairs if performed in
25	the normal course of business not covered by a warranty.

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1 Compensation for parts shall be in an amount not less than the manufacturer's warranty reimbursement rate for parts or the 2 amount received by the motor vehicle dealer from retail 3 customers for parts used in non-warranty work of like kind. A11 4 claims made by motor vehicle dealers [under] pursuant to 5 6 provisions of this section and [under] Section 57-16-6 NMSA 1978 shall be paid within thirty days following their approval. 7 Al 1 claims shall be either approved or disapproved within thirty 8 9 days after their receipt, and when any claim is disapproved, the 10 motor vehicle dealer who submits it shall be notified in writing 11 of its disapproval within that period, and each notice shall 12 state the specific grounds upon which the disapproval is based. 13 Any special handling of claims required by the manufacturer, 14 distributor or representative not uniformly required of all 15 dealers of that make may be enforced only after thirty days' 16 notice in writing and upon good and sufficient reason. A 17 manufacturer or distributor may audit a warranty claim only 18 during the twelve-month period immediately following payment or 19 credit issued for the claim, however, this limitation shall not 20 apply if there is a reasonable suspicion of fraud.

B. The provisions of this section shall not apply to recreational travel trailers or to parts of systems, fixtures, appliances, furnishings, accessories and features of motor homes."

Section 2. A new section of Chapter 57, Article 16 NMSA

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2	"[<u>NEW MATERIAL</u>] SALES AND SERVICE INCENTIVESAUDITA
3	manufacturer or distributor may audit a claim for sales and
4	service incentives only during the twenty-four month period
5	immediately following payment or credit issued for the claim;
6	however, this limitation shall not apply if there is a
7	reasonable suspicion of fraud."
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			State of New Mexico House of Representatives				
		1 2	FORTY-THIRD LEGISLATURE FIRST SESSION, 1997				
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		4 5	February 20, 1997				
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		7 8	Mr. Speaker:				
		9 10	Your BUSINESS AND INDUSTRY COMMITTEE, to whom has				
		10	been referred				
		12 13	HOUSE BILL 570				
			has had it under consideration and reports same with				
	delete	15 16	recommendation that it DO PASS , and thence referred to the APPROPRIATIONS AND FINANCE COMMITTEE.				
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	7	Mr. Speaker:					
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	10	Mr. Presi dent:					
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