

SB 376

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# WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1997



# ENROLLED

SENATE BILL NO. 376

(By Senator OLIVERIO, ET AL)



PASSED APRIL 12, 1997

In Effect NINETY days from Passage

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OFFICE OF THE CLERK  
SENATE OF WEST VIRGINIA

## ENROLLED

### Senate Bill No. 376

(BY SENATORS OLIVERIO, WOOTON, BALL, BOWMAN, DITTMAR;  
FANNING, HUNTER, ROSS, SCHOONOVER, SNYDER, WHITE,  
WIEDEBUSCH, DEEM, KIMBLE AND SCOTT)

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[Passed April 12, 1997; in effect ninety days from passage.]

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AN ACT to amend and reenact sections three, four, five, seven, eight, ten and thirteen, article six-a, chapter seventeen-a of the code of West Virginia, one thousand nine hundred thirty-one, as amended, all relating to motor vehicles, distributors, wholesalers and manufacturers generally; providing definitions; modifying requirements for cancellation of dealer contracts and notification thereof; providing circumstances not constituting good cause; modifying notice provisions; modifying reasonable compensation to dealer upon termination of agreement; and providing prohibited practices; and modifying obligations regarding warranties and limiting the period of time for audits thereon.

*Be it enacted by the Legislature of West Virginia:*

That sections three, four, five, seven, eight, ten and thirteen, article six-a, chapter seventeen-a of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted, all to read as follows:

**ARTICLE 6A. MOTOR VEHICLE DEALERS, DISTRIBUTORS, WHOLESALERS AND MANUFACTURERS.**

**§17A-6A-3. Definitions.**

1 For the purposes of this article, the words and phrases  
2 defined in this section have the meanings ascribed to  
3 them, except where the context clearly indicates a differ-  
4 ent meaning.

5 “Dealer agreement” means the agreement or contract in  
6 writing between a manufacturer, distributor, and a new  
7 motor vehicle dealer, which purports to establish the legal  
8 rights and obligations of the parties to the agreement or  
9 contract with regard to the purchase, lease or sale of new  
10 motor vehicles, accessories, service and sale of parts for  
11 motor vehicles.

12 “Designated family member” means the spouse, child,  
13 grandchild, parent, brother or sister of a deceased new  
14 motor vehicle dealer who is entitled to inherit the de-  
15 ceased dealer’s ownership interest in the new motor  
16 vehicle dealership under the terms of the dealer’s will, or  
17 who has otherwise been designated in writing by a de-  
18 ceased dealer to succeed the deceased dealer in the new  
19 motor vehicle dealership, or is entitled to inherit under the  
20 laws of intestate succession of this state. With respect to  
21 an incapacitated new motor vehicle dealer, the term  
22 means the person appointed by a court as the legal  
23 representative of the new motor vehicle dealer’s property.  
24 The term also includes the appointed and qualified  
25 personal representative and the testamentary trustee of a  
26 deceased new motor vehicle dealer. However, the term  
27 shall mean only that designated successor nominated by  
28 the new motor vehicle dealer in a written document filed  
29 by the dealer with the manufacturer or distributor, if such  
30 a document is filed.

31 “Distributor” means any person, resident or nonresi-  
32 dent, who, in whole or in part, offers for sale, sells or

33 distributes any new motor vehicle to a new motor vehicle  
34 dealer or who maintains a factory representative, resident  
35 or nonresident, or who controls any person, resident or  
36 nonresident, who, in whole or in part, offers for sale, sells  
37 or distributes any new motor vehicle to a new motor  
38 vehicle dealer.

39 “Established place of business” means a permanent,  
40 enclosed commercial building located within this state  
41 easily accessible and open to the public at all reasonable  
42 times and at which the business of a new motor vehicle  
43 dealer, including the display and repair of motor vehicles,  
44 may be lawfully carried on in accordance with the terms  
45 of all applicable building codes, zoning and other land-use  
46 regulatory ordinances.

47 “Factory branch” means an office maintained by a  
48 manufacturer or distributor for the purpose of selling or  
49 offering for sale, vehicles to a distributor, wholesaler or  
50 new motor vehicle dealer, or for directing or supervising,  
51 in whole or in part, factory or distributor representatives.  
52 The term includes any sales promotion organization  
53 maintained by a manufacturer or distributor which is  
54 engaged in promoting the sale of a particular make of new  
55 motor vehicles in this state to new motor vehicle dealers.

56 “Factory representative” means an agent or employee of  
57 a manufacturer, distributor or factory branch retained or  
58 employed for the purpose of making or promoting the sale  
59 of new motor vehicles or for supervising or contracting  
60 with new motor vehicle dealers or proposed motor vehicle  
61 dealers.

62 “Good faith” means honesty in fact and the observation  
63 of reasonable commercial standards of fair dealing in the  
64 trade.

65 “Manufacturer” means any person who manufactures or  
66 assembles new motor vehicles; or any distributor, factory  
67 branch or factory representative.

68 “Motor vehicle” means that term as defined in section  
69 one, article one of this chapter, including motorcycle and  
70 recreational vehicle as defined in subsections (c) and (nn),

71 respectively, of that section, but not including a tractor or  
72 farm equipment.

73 “New motor vehicle” means a motor vehicle which is in  
74 the possession of the manufacturer, distributor or whole-  
75 saler, or has been sold only to a new motor vehicle dealer  
76 and on which the original title has not been issued from  
77 the new motor vehicle dealer.

78 “New motor vehicle dealer” means a person who holds  
79 a dealer agreement granted by a manufacturer or distribu-  
80 tor for the sale of its motor vehicles, who is engaged in the  
81 business of purchasing, selling, leasing, exchanging or  
82 dealing in new motor vehicles, service of said vehicles,  
83 warranty work and sale of parts who has an established  
84 place of business in this state.

85 “Person” means a natural person, partnership, corpora-  
86 tion, association, trust, estate or other legal entity.

87 “Proposed new motor vehicle dealer” means a person  
88 who has an application pending for a new dealer agree-  
89 ment with a manufacturer or distributor. Proposed motor  
90 vehicle dealer does not include a person whose dealer  
91 agreement is being renewed or continued.

92 “Relevant market area” means:

93 (a) For a proposed new motor vehicle dealer or a new  
94 motor vehicle dealer who plans to relocate his or her place  
95 of business in a county having a population which is  
96 greater than thirty thousand, the area within a radius of  
97 eight miles of the intended site of the proposed or relo-  
98 cated dealer.

99 (b) For a proposed new motor vehicle dealer or a new  
100 motor vehicle dealer who plans to relocate his or her place  
101 of business in a county having a population which is not  
102 greater than thirty thousand, the area within a radius of  
103 fifteen miles of the intended site of the proposed or  
104 relocated dealer.

**§17A-6A-4. Cancellation of dealer contract; notification.**

1 (1) Notwithstanding any agreement, a manufacturer or  
2 distributor shall not cancel, terminate, fail to renew or

3 refuse to continue any dealer agreement with a new motor  
4 vehicle dealer unless the manufacturer or distributor has  
5 complied with all of the following:

6 (a) Satisfied the notice requirement of section seven of  
7 this article;

8 (b) Acted in good faith;

9 (c) Engaged in full and open communication with  
10 franchised dealer; and

11 (d) Has good cause for the cancellation, termination,  
12 nonrenewal or discontinuance.

13 (2) Notwithstanding any agreement, good cause shall  
14 exist for the purposes of a termination, cancellation,  
15 nonrenewal or discontinuance under subdivision (d),  
16 subsection (1) of this section when both of the following  
17 occur:

18 (a) There is a failure by the new motor vehicle dealer to  
19 comply with a provision of the dealer agreement and the  
20 provision is both reasonable and of material significance  
21 to the relationship between the manufacturer or distribu-  
22 tor and the new motor vehicle dealer; and

23 (b) The manufacturer or distributor first acquired actual  
24 or constructive knowledge of the failure not more than  
25 two years prior to the date on which notification was  
26 given pursuant to section seven of this article.

27 (3) If the failure by the new motor vehicle dealer to  
28 comply with a provision of the dealer agreement relates to  
29 the performance of the new motor vehicle dealer in sales  
30 or service, good cause shall exist for the purposes of a  
31 termination, cancellation, nonrenewal or discontinuance  
32 under subsection (1) of this section when the new motor  
33 vehicle dealer failed to effectively carry out the perfor-  
34 mance provisions of the dealer agreement if all of the  
35 following have occurred:

36 (a) The new motor vehicle dealer was given written  
37 notice by the manufacturer or distributor of the failure;

38 (b) The notification stated that the notice of failure of

39 performance was provided pursuant to this article;

40 (c) The new motor vehicle dealer was afforded a reason-  
41 able opportunity to exert good faith efforts to carry out  
42 the dealer agreement; and

43 (d) The failure continued for more than one hundred  
44 eighty days after the date notification was given pursuant  
45 to subdivision (a) of this subsection.

**§17A-6A-5. Circumstances not constituting good cause.**

1 Notwithstanding any agreement, the following alone  
2 shall not constitute good cause for the termination,  
3 cancellation, nonrenewal or discontinuance of a dealer  
4 agreement under subdivision (d), subsection (1), section  
5 four of this article:

6 (a) A change in ownership of the new motor vehicle  
7 dealer's dealership. The subdivision does not authorize  
8 any change in ownership which would have the effect of  
9 a sale or an assignment of the dealer agreement or a  
10 change in the principal management of the dealership  
11 without the manufacturer's or distributor's prior written  
12 consent.

13 (b) The refusal of the new motor vehicle dealer to  
14 purchase or accept delivery of any new motor vehicle  
15 parts, accessories, or any other commodity or services not  
16 ordered by the new motor vehicle dealer.

17 (c) The fact that the new motor vehicle dealer owns, has  
18 an investment in, participates in the management of, or  
19 holds a dealer agreement for the sale of another make or  
20 line of new motor vehicles, or that the new motor vehicle  
21 dealer has established another make or line of new motor  
22 vehicles in the same dealership facilities as those of the  
23 manufacturer or distributor: *Provided*, That the new  
24 motor vehicle dealer maintains a reasonable line of credit  
25 for each make or line of new motor vehicles, and that the  
26 new motor vehicle dealer remains in substantial compli-  
27 ance with the terms and conditions of the dealer agree-  
28 ment and with any reasonable facilities' requirements of  
29 the manufacturer or distributor.

30 (d) The fact that the new motor vehicle dealer sells or  
31 transfers ownership of the dealership or sells or transfers  
32 capital stock in the dealership to the new motor vehicle  
33 dealer's spouse, son or daughter: *Provided*, That the sale  
34 or transfer shall not have the effect of a sale or an assign-  
35 ment of the dealer agreement or a change in the principal  
36 management of the dealership without the manufacturer's  
37 or distributor's prior written consent.

**§17A-6A-7. Notice provisions.**

1 Notwithstanding any agreement, prior to the termina-  
2 tion, cancellation, nonrenewal or discontinuance of any  
3 dealer agreement, the manufacturer or distributor shall  
4 furnish notice of the termination, cancellation,  
5 nonrenewal or discontinuance to the new motor vehicle  
6 dealer as follows:

7 (a) Except as provided in subdivision (c) or (d) of this  
8 subsection, notice shall be made not less than ninety days  
9 prior to the effective date of the termination, cancellation,  
10 nonrenewal or discontinuance.

11 (b) Notice shall be by certified mail to the new motor  
12 vehicle dealer and shall contain the following:

13 (i) A statement of intention to terminate, cancel, not  
14 renew or discontinue the dealer agreement.

15 (ii) A statement of the reasons for the termination,  
16 cancellation, nonrenewal or discontinuance. Such state-  
17 ment shall include, at a minimum, a complete explanation  
18 of each reason upon which the manufacturer or distribu-  
19 tor relies to support its proposed action, along with all  
20 supporting documentation which is material to the  
21 proposed action and available to the manufacturer or  
22 distributor at the time of termination, cancellation,  
23 nonrenewal or discontinuance.

24 (iii) The date on which the termination, cancellation,  
25 nonrenewal or discontinuance takes effect.

26 (c) Notwithstanding subdivision (a) of this subsection,  
27 notice shall be made not less than fifteen days prior to the  
28 effective date of the termination, cancellation, nonrenewal



29 or discontinuance for any of the following reasons:

30 (i) Insolvency of the new motor vehicle dealer, or the  
31 filing of any petition by or against the new motor vehicle  
32 dealer under any bankruptcy or receivership law.

33 (ii) Failure of the new motor vehicle dealer to conduct  
34 his or her customary sales and service operations during  
35 his or her customary business hours for seven consecutive  
36 business days.

37 (iii) Conviction of the new motor vehicle dealer or its  
38 principal owners of a crime, but only if the crime is  
39 punishable by imprisonment in excess of one year under  
40 the law under which the dealer was convicted, or the  
41 crime involved theft, dishonesty or false statement regard-  
42 less of the punishment.

43 (iv) Revocation of a motor vehicle dealership license in  
44 accordance with section eighteen, article six, chapter  
45 seventeen-a of this code.

46 (v) A fraudulent misrepresentation by the new motor  
47 vehicle dealer to the manufacturer or distributor, which is  
48 material to the dealer agreement.

49 (d) Notwithstanding subdivision (a) of this subsection  
50 notice shall be made not less than twelve months prior to  
51 the effective date of a termination, cancellation,  
52 nonrenewal or discontinuance if a manufacturer or  
53 distributor discontinues production of the new motor  
54 vehicle dealer's product line or discontinues distribution  
55 of the product line in this state.

**§17A-6A-8. Reasonable compensation to dealer.**

1 (1) Upon the termination, cancellation, nonrenewal or  
2 discontinuance of any dealer agreement, the new motor  
3 vehicle dealer shall be allowed fair and reasonable  
4 compensation by the manufacturer or distributor for the  
5 following:

6 (a) Any new motor vehicle inventory purchased from the  
7 manufacturer or distributor, which has not been materi-  
8 ally altered, substantially damaged or driven for more  
9 than five hundred miles, except that for any new motorcy-

10 cle inventory purchased from the manufacturer or distrib-  
11 utor, that inventory must not have been materially altered,  
12 substantially damaged or driven for more than fifty miles.

13 (b) Supplies and parts inventory purchased from the  
14 manufacturer or distributor and listed in the manufac-  
15 turer's or distributor's current parts catalog.

16 (c) Equipment, furnishings and signs purchased from the  
17 manufacturer or distributor.

18 (d) Special tools purchased from the manufacturer or  
19 distributor within three years of the date of termination,  
20 cancellation, nonrenewal or discontinuance.

21 (2) Upon the termination, cancellation, nonrenewal or  
22 discontinuance of a dealer agreement by the manufacturer  
23 or distributor, the manufacturer or distributor shall also  
24 pay to the new motor vehicle dealer a sum equal to the  
25 current, fair rental value of his or her established place of  
26 business for a period of one year from the effective date of  
27 termination, cancellation, nonrenewal or discontinuance,  
28 or the remainder of the lease, whichever is less. However,  
29 the payment required by this subsection shall not apply to  
30 any termination, cancellation, nonrenewal or discontinu-  
31 ance made pursuant to subsection (c), section five of this  
32 article.

**§17A-6A-10. Prohibited practices.**

1 (1) A manufacturer or distributor shall not require any  
2 new motor vehicle dealer in this state to do any of the  
3 following:

4 (a) Order or accept delivery of any new motor vehicle,  
5 part or accessory thereof, equipment or any other com-  
6 modity not required by law which was not voluntarily  
7 ordered by the new motor vehicle dealer. This section  
8 shall not be construed to prevent the manufacturer or  
9 distributor from requiring that new motor vehicle dealers  
10 carry a reasonable inventory of models offered for sale by  
11 the manufacturer or distributor.

12 (b) Order or accept delivery of any new motor vehicle  
13 with special features, accessories or equipment not

14 included in the list price of the new motor vehicle as  
15 publicly advertised by the manufacturer or distributor.

16 (c) Participate monetarily in any advertising campaign  
17 or contest, or purchase any promotional materials, display  
18 devices or display decorations or materials at the expense  
19 of the new motor vehicle dealer.

20 (d) Enter into any agreement with the manufacturer or  
21 distributor or do any other act prejudicial to the new  
22 motor vehicle dealer by threatening to terminate a dealer  
23 agreement or any contractual agreement or understanding  
24 existing between the dealer and the manufacturer or  
25 distributor. Notice in good faith to any dealer of the  
26 dealer's violation of any terms or provisions of the dealer  
27 agreement shall not constitute a violation of this article.

28 (e) Change the capital structure of the new motor vehicle  
29 dealership or the means by or through which the dealer  
30 finances the operation of the dealership if the dealership  
31 at all times meets any reasonable capital standards  
32 determined by the manufacturer in accordance with  
33 uniformly applied criteria.

34 (f) Refrain from participation in the management of,  
35 investment in or the acquisition of any other line of new  
36 motor vehicle or related products, provided that the dealer  
37 maintains a reasonable line of credit for each make or line  
38 of vehicle, remains in compliance with reasonable facili-  
39 ties requirements, and makes no change in the principal  
40 management of the dealer.

41 (g) Change the location of the new motor vehicle dealer-  
42 ship or make any substantial alterations to the dealership  
43 premises, where to do so would be unreasonable.

44 (h) Prospectively assent to a release, assignment, nova-  
45 tion, waiver or estoppel which would relieve any person  
46 from liability imposed by this article or require any  
47 controversy between a new motor vehicle dealer and a  
48 manufacturer or distributor to be referred to a person  
49 other than the duly constituted courts of the state or the  
50 United States, if the referral would be binding upon the  
51 new motor vehicle dealer.

52 (2) A manufacturer or distributor shall not do any of the  
53 following:

54 (a) Fail to deliver new motor vehicles or new motor  
55 vehicle parts or accessories within a reasonable time and  
56 in reasonable quantities relative to the new motor vehicle  
57 dealer's market area and facilities, unless the failure is  
58 caused by acts or occurrences beyond the control of the  
59 manufacturer or distributor, or unless the failure results  
60 from an order by the new motor vehicle dealer in excess of  
61 quantities reasonably and fairly allocated by the manufac-  
62 turer or distributor. No manufacturer or distributor may  
63 penalize a new motor vehicle dealer for an alleged failure  
64 to meet sales quotas where the alleged failure is due to  
65 actions of the manufacturer or distributor.

66 (b) Refuse to disclose to a new motor vehicle dealer the  
67 method and manner of distribution of new motor vehicles  
68 by the manufacturer or distributor.

69 (c) Refuse to disclose to a new motor vehicle dealer the  
70 total number of new motor vehicles of a given model,  
71 which the manufacturer or distributor has sold during the  
72 current model year within the dealer's marketing district,  
73 zone or region, whichever geographical area is the small-  
74 est.

75 (d) Increase prices of new motor vehicles which the new  
76 motor vehicle dealer had ordered and then eventually  
77 delivered to the same retail consumer for whom the  
78 vehicle was ordered, if the order was made prior to the  
79 dealer's receipt of the written official price increase  
80 notification. A sales contract signed by a private retail  
81 consumer and binding on the dealer shall constitute  
82 evidence of each order. In the event of manufacturer or  
83 distributor price reductions or cash rebates, the amount of  
84 any reduction or rebate received by a dealer shall be  
85 passed on to the private retail consumer by the dealer.  
86 Any price reduction in excess of five dollars shall apply to  
87 all vehicles in the dealer's inventory which were subject to  
88 the price reduction. A price difference applicable to new  
89 model or series motor vehicles at the time of the introduc-  
90 tion of the new models or the series shall not be considered

91 a price increase or price decrease. This subdivision shall  
92 not apply to price changes caused by the following:

93 (i) The addition to a motor vehicle of required or op-  
94 tional equipment pursuant to state or federal law.

95 (ii) In the case of foreign made vehicles or components,  
96 revaluation of the United States dollar.

97 (iii) Any increase in transportation charges due to an  
98 increase in rates charged by a common carrier and trans-  
99 porters.

100 (e) Offer any refunds or other types of inducements to  
101 any dealer for the purchase of new motor vehicles of a  
102 certain line make to be sold to this state or any political  
103 subdivision of this state without making the same offer  
104 available upon request to all other new motor vehicle  
105 dealers of the same line make.

106 (f) Release to an outside party, except under subpoena or  
107 in an administrative or judicial proceeding to which the  
108 new motor vehicle dealer or the manufacturer or distribu-  
109 tor are parties, any business, financial or personal infor-  
110 mation which has been provided by the dealer to the  
111 manufacturer or distributor, unless the new motor vehicle  
112 dealer gives his or her written consent.

113 (g) Deny a new motor vehicle dealer the right to associ-  
114 ate with another new motor vehicle dealer for any lawful  
115 purpose.

116 (h) Establish a new motor vehicle dealership which  
117 would unfairly compete with a new motor vehicle dealer  
118 of the same line make operating under a dealer agreement  
119 with the manufacturer or distributor in the relevant  
120 market area. A manufacturer or distributor shall not be  
121 considered to be unfairly competing if the manufacturer  
122 or distributor is:

123 (i) Operating a dealership temporarily for a reasonable  
124 period.

125 (ii) Operating a dealership which is for sale at a reason-  
126 able price.

127 (iii) Operating a dealership with another person who has  
128 made a significant investment in the dealership and who  
129 will acquire full ownership of the dealership under  
130 reasonable terms and conditions.

131 (i) Unreasonably withhold consent to the sale, transfer  
132 or exchange of the dealership to a qualified buyer capable  
133 of being licensed as a new motor vehicle dealer in this  
134 state.

135 (j) Fail to respond in writing to a request for consent to  
136 a sale, transfer or exchange of a dealership within sixty  
137 days after receipt of a written application from the new  
138 motor vehicle dealer on the forms generally utilized by the  
139 manufacturer or distributor for such purpose and contain-  
140 ing the information required therein. Failure to respond  
141 to the request within the sixty days shall be deemed to be  
142 consent.

143 (k) Unfairly prevent a new motor vehicle dealer from  
144 receiving reasonable compensation for the value of the  
145 new motor vehicle dealership.

146 (l) Audit any motor vehicle dealer in this state for  
147 warranty parts or warranty service compensation, service  
148 compensation, service incentives, rebates or other forms of  
149 sales incentive compensation more than twelve months  
150 after the claim for payment or reimbursement has been  
151 made by the automobile dealer: *Provided*, That the  
152 provisions of this subsection shall not apply where a claim  
153 is fraudulent.

154 (3) A manufacturer or distributor, either directly or  
155 through any subsidiary, shall not terminate, cancel, fail to  
156 renew or discontinue any lease of the new motor vehicle  
157 dealer's established place of business except for a material  
158 breach of the lease.

**§17A-6A-13. Obligations regarding warranties.**

1 (1) Each new motor vehicle manufacturer or distributor  
2 shall specify in writing to each of its new motor vehicle  
3 dealers licensed in this state the dealer's obligations for  
4 preparation, delivery and warranty service on its prod-  
5 ucts. The manufacturer or distributor shall compensate

6 the new motor vehicle dealer for warranty service re-  
7 quired of the dealer by the manufacturer or distributor.  
8 The manufacturer or distributor shall provide the new  
9 motor vehicle dealer with the schedule of compensation to  
10 be paid to the dealer for parts, work and service, and the  
11 time allowance for the performance of the work and  
12 service.

13 (2) The schedule of compensation shall include reason-  
14 able compensation for diagnostic work, as well as repair  
15 service and labor. Time allowances for the diagnosis and  
16 performance of warranty work and service shall be  
17 reasonable and adequate for the work to be performed. In  
18 the determination of what constitutes reasonable compen-  
19 sation under this section, the principal factor to be given  
20 consideration shall be the prevailing wage rates being  
21 paid by dealers in the community in which the dealer is  
22 doing business, and in no event shall the compensation of  
23 a dealer for warranty labor and parts be less than the  
24 rates charged by the dealer for like service to retail  
25 customers for nonwarranty service and repairs, provided  
26 that such rates are reasonable. However, in the case of a  
27 new motor vehicle dealer of motorcycles or recreational  
28 vehicles, in no event may the compensation of a dealer for  
29 warranty parts be less than the dealer's cost of acquiring  
30 the part plus twenty percent.

31 (3) A manufacturer or distributor shall not do any of the  
32 following:

33 (a) Fail to perform any warranty obligation.

34 (b) Fail to include in written notices of factory recalls to  
35 new motor vehicle owners and dealers the expected date  
36 by which necessary parts and equipment will be available  
37 to dealers for the correction of the defects.

38 (c) Fail to compensate any of the new motor vehicle  
39 dealers licensed in this state for repairs effected by the  
40 recall.

41 (4) All claims made by a new motor vehicle dealer  
42 pursuant to this section for labor and parts shall be paid  
43 within thirty days after their approval. All claims shall be

44 either approved or disapproved by the manufacturer or  
45 distributor within thirty days after their receipt on a  
46 proper form generally used by the manufacturer or  
47 distributor and containing the usually required informa-  
48 tion therein. Any claim not specifically disapproved in  
49 writing within thirty days after the receipt of the form  
50 shall be considered to be approved and payment shall be  
51 made within thirty days. The manufacturer has the right  
52 to initiate an audit of a claim within twelve months after  
53 payment and to charge back to the new motor vehicle  
54 dealer the amount of any false, fraudulent or unsubstanti-  
55 ated claim.



That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

*Randy Schoonover*  
.....  
Chairman Senate Committee

*Nick Santasia*  
.....  
Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

*Karrell Ekman*  
.....  
Clerk of the Senate

*Gregory W. Gray*  
.....  
Clerk of the House of Delegates

*Carl Ray Tomblin*  
.....  
President of the Senate

*R. K.*  
.....  
Speaker House of Delegates

The within *is approved* this the *7th*  
day of *May* ....., 1997.

*Earl Anderson*  
.....  
Governor

PRESENTED TO THE

GOVERNOR

Date 4/28/97

Time 2:25pm