80E.045 RECALL REPAIRS; MANUFACTURER AND DEALER OBLIGATIONS.

Subdivision 1. **Requirements.** (a) A manufacturer shall compensate its new motor vehicle dealers for all labor and parts required to perform recall repairs. Compensation for recall repairs must be reasonable and be consistent with section 80E.041. If parts or a remedy are not reasonably available to perform a recall service or repair on a vehicle held for sale by a dealer authorized to sell new motor vehicles of the same line-make within 30 days of the manufacturer issuing the initial notice of recall to the new motor vehicle dealer and the manufacturer has issued a stop-sale or do-not-drive order on the vehicle, the manufacturer shall compensate the dealer at a prorated rate of at least 1.25 percent of the value of the vehicle per month beginning on the later of either the date that is 30 days after the date on which the stop-sale or do-not-drive order was provided to the dealer, or the date the vehicle was taken into the dealer's used vehicle inventory, until the earlier of either of the following:

(1) the date the recall or remedy parts are made available; or

(2) the date the dealer sells, trades, or otherwise disposes of the affected used motor vehicle.

(b) A stop-sale or do-not-drive order means a notification issued by a vehicle manufacturer to its franchised dealerships stating that certain used vehicles in inventory shall not be sold or leased at retail or wholesale due to a federal safety recall for a defect or a noncompliance or a federal emissions recall.

Subd. 2. **Value of vehicle.** The value of a used vehicle is the average trade-in value for used vehicles as indicated in an independent third-party guide for the year, make, and model of the recalled vehicle.

Subd. 3. **Application.** This section applies only to:

(1) used vehicles subject to safety or emissions recalls pursuant to and recalled in accordance with federal law and regulations adopted thereunder and where a stop-sale or do-not-drive order has been issued and repair parts or remedy remain unavailable for 30 days or longer; and

(2) new motor vehicle dealers holding affected used vehicles for sale that are a line-make that the dealer is franchised to sell or which the dealer is authorized to perform recall repairs, and which:

(i) are in inventory at the time the "stop-sale" order was issued; or

(ii) were taken in the used vehicle inventory of the dealer as a consumer trade-in incident to the purchase of a new or certified preowned used vehicle from the dealer after the stop-sale or do-not-drive order was issued.

Subd. 4. **Violations.** Subject to the audit provisions of section 80E.041, it is a violation of this section for a manufacturer to reduce the amount of compensation otherwise owed to an individual new motor vehicle dealer, whether through a charge back, removal of the individual dealer from an incentive program, reduction in amount owed under an incentive program, or any other means, solely because the new motor vehicle dealer has submitted a claim for reimbursement under this section.

Subd. 5. **Payment of claims.** (a) All reimbursement claims made by new motor vehicle dealers pursuant to this section for recall remedies or repairs or for compensation where no part or repair is reasonably available and the vehicle is subject to a stop-sale or do-not-drive order must be subject to the same limitations and requirements as a warranty reimbursement claim made under section 80E.041. Claims must be either approved or disapproved within 30 days after they are submitted to the manufacturer in the manner and on the forms the manufacturer reasonably prescribes. All claims shall be paid within 90 days of approval of

the claim by the manufacturer. Any claim not specifically disapproved in writing within 30 days after the manufacturer receives them shall be deemed to be approved.

(b) As an alternative to paragraph (a), a manufacturer may compensate its franchised dealers under a national recall compensation program provided the compensation under the program is equal to or greater than that provided under subdivision 1, or the manufacturer and dealer otherwise agree.

Subd. 6. **Inventory.** A manufacturer may direct the manner and method in which a new motor vehicle dealer must demonstrate the inventory status of an affected used motor vehicle to determine eligibility for compensation under this section, provided that the manner and method may not be unduly burdensome and may not require information that is unduly burdensome to provide.

Subd. 7. **Total compensation.** Nothing in this section shall require a manufacturer to provide total compensation to a new motor vehicle dealer which would exceed the total average trade-in value of the affected used motor vehicle.

Subd. 8. **Exclusive remedy.** Any remedy provided to a new motor vehicle dealer under this section is exclusive and may not be combined with any other state or federal remedy.

History: *2018 c 203 s 2*