

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Commerce and Economic Development, to which was referred Senate Bill No. 494, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 1, line 3, delete ""Chargeback"" and insert ""**Charge back**"".
- 2 Page 1, delete lines 5 through 12.
- 3 Page 1, line 15, delete ""chargeback"" and insert ""**charge back**"".
- 4 Page 2, delete lines 2 through 42, begin a new paragraph and insert
- 5 the following:
- 6 "SECTION 3. IC 9-23-3-15, AS AMENDED BY P.L.76-2007,
- 7 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 8 JULY 1, 2011]: Sec. 15. (a) It is an unfair practice for a manufacturer
- 9 or distributor to:
- 10 (1) fail to pay all claims made by dealers for compensation for:
- 11 (A) delivery and preparation work; ~~and~~
- 12 (B) warranty work; **and**
- 13 (C) **incentive payments;**
- 14 within thirty (30) days after approval;
- 15 (2) fail to approve or disapprove the claims within thirty (30) days
- 16 after receipt; or
- 17 (3) disapprove a claim without notice to the dealer in writing of
- 18 the grounds for disapproval.
- 19 (b) **Subject to subsection (c)**, a manufacturer or distributor may:
- 20 (1) audit claims made by a dealer **for warranty work or**
- 21 **incentive payments for up to one (1) year after the date on**

- 1 **which a claim is paid; or**
 2 (2) charge back to a dealer any amounts paid on false or
 3 unsubstantiated claims **for warranty work or incentive**
 4 **payments.**
 5 for up to two (2) years after the date on which a claim is paid.
 6 However, the limitations of this subsection do not apply if the
 7 ~~manufacturer or distributor can prove fraud on a claim.~~ A manufacturer
 8 or distributor shall not discriminate among dealers with regard to
 9 auditing or charging back claims.
 10 **(c) The limitations of subsection (b) do not apply if the**
 11 **manufacturer or distributor can prove fraud on a claim."**
 12 Page 3, delete lines 1 through 7.
 13 Renumber all SECTIONS consecutively.
 (Reference is to SB 494 as introduced.)

and when so amended that said bill do pass .

Committee Vote: Yeas 7, Nays 0.

Senator Young R Michael, Chairperson