

WASHINGTON AREA NEW AUTO DEALERS ASSOCIATION

SUPPORT

HB 1208 “VEHICLE LAWS – MANUFACTURERS – DEALER COMPENSATION”

The Washington Area New Auto Dealers Association (WANADA) represents franchised auto dealers in the metro Washington region.

House Bill 1208 clarifies existing law and requires vehicle manufacturers to pay retail rates for warranty and recall repairs performed by franchised dealers. Existing law provides manufacturers must pay ==

- (1) For labor, an hourly rate equivalent to the average hourly rate the dealer charged its retail customers; and
- (2) For parts, the dealer’s cost for parts plus the current retail mark-up percentage charged to retail customers.

The General Assembly passed the retail rate payment requirement nearly 10 years ago despite manufacturers’ opposition. Prior to the 2014 law, manufacturers were not paying the same as retail customers for the same repair. This had the effect of “cost-shifting” more cost to retail customers. For the most part, the 2014 law has worked well – but more recently, manufacturers have been reducing the time allowance for covered repairs. The net effect of these changes is that manufacturers are no longer paying retail rates for certain warranty and recall repairs. This is a direct challenge to the intent of the law passed by the General Assembly in 2014.

Here is an example of what is now occurring:

Type of Warranty/Recall Repair	National Retail* Hourly Allowance	Manufacturer’s Hourly Allowance	% Drop in Reimbursement
Engine Replacement	26.6	15.9	40%
Camshaft Timing Replacement	7.0	3.9	44%
Water Pump Replacement	3.4	1.1	68%

*National Retail Hourly Allowance used by dealer for retail repairs and published by Alldata.

Retail auto repairs, for non-warranty and non-recall work, is highly competitive. These repairs can be performed by any number of franchised dealers, or independent repair shops. This competition keeps a check on labor rates and parts mark-up. Nearly all repair shops, including franchised dealers, use time allowances published in national guides. HB 1208 simply requires the vehicle manufacturer to use the same hourly allowances used by the dealer for the dealer’s retail repairs. This change is entirely consistent with the 2014 law and closes a loophole the vehicle manufacturers are now trying to exploit.

Please give HB 1208 a favorable report.

For more information: Mike Johansen & Obie Chinemere, RWL 410.269.5066

2016 Kia Optima L4-2.4L

Vehicle > Engine, Cooling and Exhaust > Engine

PARTS AND LABOR

Parts	OEM PART #	PRICE
Engine		

Engine	211012GK11R	5305.00
Overhaul Gasket Set	209102GK07	327.24
Short Block	211022GK10R	1609.44
Valve Grind Gasket Kit	209202GK07	362.90
Cylinder Block		
1 - Cylinder Block	211002GGC0	2328.45

Labor	SKILL	WARRANTY	STANDARD
Remove & Replace			

Engine

Engine, R&R B 0.0 11.1

Includes: Transfer Of All Fuel & Electrical Units. Does Not Includes Transfer Of Optional Equipment.

Long Block, R&R B 0.0 14.1

Includes: R&I Engine And Replacement Of All Necessary Components.

Lower Crankcase Seal, R&R A 0.0 12.1

Includes: R&I Engine.

Short Block, R&R B 0.0 16.1

Includes: R&I Engine And Replacement Of All Necessary Components.

Remove & Install			
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Engine

Engine, R&I B 0.0 9.1

Includes: Transfer Of All Fuel & Electrical Units. Does Not Includes Transfer Of Optional Equipment.

Overhaul			
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Engine

COLOR	YEAR	MAKE/MODEL	VIN	LICENSE	MILEAGE IN/OUT	TAG	
	16	KIA OPTIMA	5XXGW4L2XGG034151		84917/84917	T3199	
DEL. DATE	PROD. DATE	WARR. EXP.	PROMISED	PO. NO.	RATE	PAYMENT	INV. DATE
26SEP20 DD			19:00 27OCT22		0.00	CASH	28OCT22

R.O. OPENED: 07:38 22SEP22
 READY: 13:16 28OCT22
 OPTIONS: SOLD-STK:24947Z

LINE	OPCODE	TECH	TYPE	HOURS	LIST	NET	TOTAL
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A CUSTOMER STATES WHILE DRIVING LOST ACCELERATION THEN AFTER PULLING OVER CAR WILL NOT START CHECK AND ADVISE
 CAUSE: TECH FOUND ENGINE LOCKED CONTACTED TECH LINE ADVISED REPLACE ENGINE UNDER PI1802 TECH REMOVED AND REPLACED ENGINE
 180A33F3 TECH FOUND ENGINE LOCKED REMOVED AND
 REPLACED ENGINE

74319	WK	7.60				961.40	961.40
1	21111-2GK52QOK	SERVICE KIT		100.00	100.00	100.00	100.00
1	21111-2GK72QOK	SERVICE KIT		63.35	63.35	63.35	63.35
7	23311-25050	BOLT-DRIVE PLATE		2.69	2.69	18.83	18.83
1	21101-2GK32QOKR	REMAN SUB ENGINE		2688.00	2688.00	2688.00	2688.00
6	UM050-CH035	MOBIL SYN 5W30 SN		6.00	6.00	36.00	36.00
2	UM040-CH012	ANTIFREEZE/COOLANT (6)		17.10	17.10	34.20	34.20

02 QUALITY CHECK

FC: PART#: 21101-2GK32QOKR
 COUNT: 0 177261 294038 TPARTS
 CLAIM TYPE: WARRAN
 AUTH CODE: 32490 96140 TLABOR

TECH: 74319 ACTUAL HRS.: 0.00 SOLD HRS.: 7.60

SALE-LBR: 961.40 PTS: 2940.38 MSC: 0.00 LUB: 0.00 SUB: 0.00 TOTAL 3901.78
 COST-LBR: 324.90 PTS: 1772.61 MSC: 0.00 LUB: 0.00 SUB: 0.00 TOTAL 2097.51

B SC205 ECM LOGIC UPDATE VESC
 CAUSE: TECH FOUND OPEN RECALL TECH PREFORMED REFLASH AS PER RECALL

210A01R0	ECM REFLASH					37.95	37.95
74319	WK	0.30					

FC: PART#: COUNT: 0 0 TPARTS
 CLAIM TYPE: WARRAN
 AUTH CODE:

Maryland House Bill 1087 THAT WHILE THE CUSTOMER'S MOTOR VEHICLE IS ON THE PREMISES OF THE AUTOMOTIVE REPAIR FACILITY, THE AUTOMOTIVE REPAIR FACILITY MAY NOT BE RESPONSIBLE FOR DAMAGE TO THE CUSTOMER'S MOTOR VEHICLE UNDER CERTAIN CIRCUMSTANCES, AND THAT THE CUSTOMER SHOULD ASK A REPRESENTATIVE OF THE AUTOMOTIVE REPAIR FACILITY ABOUT THE EXTENT OF ITS RESPONSIBILITY, INCLUDING THE EXTENT OF THE INSURANCE COVERAGE OF THE AUTOMOTIVE REPAIR FACILITY. ON BEHALF OF SERVICING DEALER, I HEREBY CERTIFY THAT THE INFORMATION CONTAINED HEREON IS ACCURATE UNLESS OTHERWISE SHOWN. SERVICES DESCRIBED WERE PERFORMED AT NO CHARGE TO OWNER. THERE WAS NO INDICATION FROM THE APPEARANCE OF THE VEHICLE OR OTHERWISE, THAT ANY PART REPAIRED OR REPLACED UNDER THIS CLAIM HAD BEEN CONNECTED IN ANY WAY WITH ANY ACCIDENT, NEGLIGENCE OR MISUSE. RECORDS SUPPORTING THIS CLAIM ARE AVAILABLE FOR (1) YEAR FROM THE DATE OF PAYMENT NOTIFICATION AT THE SERVICING DEALER FOR INSPECTION BY MANUFACTURER'S REPRESENTATIVE.	Manufacturer Special Policy Adjustment Programs Federal law requires manufacturers to furnish the National Highway Traffic Safety Administration (N.H.T.S.A.) with bulletins describing any defects in their vehicles. You may obtain copies of these bulletins from either the manufacturer or N.H.T.S.A. In addition, certain consumer publications or organizations publish this information, which may be available for a fee or for free.	DESCRIPTION	TOTALS
	LABOR AMOUNT		
	PARTS AMOUNT		
	GAS, OIL, LUBE		
	SUBLET AMOUNT		
	MISC. CHARGES		
	TOTAL CHARGES		
	LESS INSURANCE		
	SALES TAX		
	PLEASE PAY THIS AMOUNT		

(SIGNED) DEALER, GENERAL MANAGER OR AUTHORIZED PERSON (DATE) CUSTOMER SIGNATURE

2016 Kia Truck Sorento 4WD L4-2.4L

Vehicle > Engine, Cooling and Exhaust > Engine

PARTS AND LABOR

Parts	OEM PART #	PRICE
Engine		
Engine	211012GK19R	5305.00
Overhaul Gasket Set	209102GK07	327.24
Short Block	211022GK12R	1422.17
Valve Grind Gasket Kit	209202GK07	362.90
Cylinder Block		
1 - Cylinder Block	311132GK04	2262.70
Labor	SKILL WARRANTY	STANDARD
Remove & Replace		

Engine

Engine, R&R B 0.0 11.7

Includes: Transfer Of All Fuel & Electrical Units. Does Not Include Transfer Of Optional Equipment.

Engine, R&R

NOTE (Optional Labor)

With AWD, Add 0.7

Long Block, R&R B 0.0 14.7

Includes: R&R Engine And Replacement Of All Necessary Equipment.

Long Block, R&R

NOTE (Optional Labor)

With AWD, Add 0.7

Short Block, R&R A 0.0 16.7

Includes: R&R Engine And Replacement Of All Necessary Equipment.

Short Block, R&R

NOTE (Optional Labor)

BUS: 410-959-0500 CBH:

SERVICE ADVISOR: 1999 CHRYSLER PT CRUISER

COLOR	YEAR	MAKE/MODEL	VIN	LICENSE	MILEAGE IN / OUT	TAG	
	16	KIA SORENTO	5XYPG4A3XGG124162		74783/74804	T2274	
DEL. DATE	PROD. DATE	WARR. EXP.	PROMISED	PO NO.	RATE	PAYMENT	INV. DATE
01JAN16 DD			20:00 28OCT20		0.00	CASH	20NOV20
R.O. OPENED		READY	OPTIONS: ENG:2.4_Liter_DOHC				
15:21 20OCT20		09:36 20NOV20					

LINE	OPCODE	TECH	TYPE	HOURS	LIST	NET	TOTAL
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A CUSTOMER STATES VEHICLE IS BURNING OIL
 CAUSE: C/S VEHICLE IS BURNING OIL. PERFORMED OIL CONSUMPTION TEST.
 CUSTOMER RETURNED ABOUT 1,132 MILES LATER WITH VEHICLE BEING 1
 1/2 QT LOW ON OIL. CHECKED PCV SYSTEM, CHECKED INTAKE MANIFOLD,
 REMOVED VALVE COVER, PERFORMED WET & DRY COMPRESSION CHECK, AND
 PERFORMED LEAK DOWN TEST. FOUND INTERNAL ENGINE FAILURE R&R
 ENGINE ASSY FOLLOWING PS539 PER TECHLINE CASE# 13839513. ROAD
 TESTED VEHICLE AFTER REPAIRS. OK AT THIS TIME.

21102R1A Engine Sub Assy, (Long Block), R&R
 (Theta)

75555	WK 7.00					807.10	807.10
1	21101-2GK31QQKR	REMAN SUB ENGINE			2812.00	2812.00	2812.00
		CORE CHARGE W				2000.00	2000.00
1	21111-2GK51QQK	SERVICE KIT			58.35	58.35	58.35
7	23311-25050	BOLT-DRIVE PLATE			2.50	2.50	17.50
1	25470-2G050QQK	TUBE ASSY-OIL COOLER			25.75	25.75	25.75
2	11235-06226K	BOLT			2.35	2.35	4.70
1	35305-2GGA0	PIPE ASSY-FUEL			98.22	98.22	98.22
6	UM013-CH032	MOBIL SUP 5W30 SN			3.50	3.50	21.00
1	UM040-CH012	ANTIFREEZ/COOLANT (6)			21.70	21.70	21.70
-1	21101-2GK31QQKR	CORE RETURN			2000.00	2000.00	-2000.00

FC:

PART#: 21101-2GK31QQKR
 COUNT: 1
 CLAIM TYPE:
 AUTH CODE:

184168 305922 TPARTS
 22400 80710 TLABOR

SUBL ENTERPRISE RENTAL AGREEMENT# 1N7DW4
 WK

490.00 490.00

TECH: 75555 ACTUAL HRS.: 0.24 SOLD HRS.: 7.00

SALE-LBR: 807.10 PTS: 3059.22 MSC: 0.00 LUB: 0.00 SUB: 490.00 TOTAL 4356.32
 COST-LBR: 224.00 PTS: 1841.68 MSC: 0.00 LUB: 0.00 SUB: 490.00 TOTAL 2555.68

Maryland House Bill 1057

THAT WHILE THE CUSTOMER'S MOTOR VEHICLE IS ON THE PREMISES OF THE AUTOMOTIVE REPAIR FACILITY, THE AUTOMOTIVE REPAIR FACILITY MAY NOT BE RESPONSIBLE FOR DAMAGE TO THE CUSTOMER'S MOTOR VEHICLE UNDER CERTAIN CIRCUMSTANCES, AND THAT THE CUSTOMER SHOULD ASK A REPRESENTATIVE OF THE AUTOMOTIVE REPAIR FACILITY ABOUT THE EXTENT OF ITS RESPONSIBILITY, INCLUDING THE EXTENT OF THE INSURANCE COVERAGE OF THE AUTOMOTIVE REPAIR FACILITY.

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Manufacturer Special Policy Adjustment Programs

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Non-GM Parts/Accessories Installed by the Dealer: Non-GM parts and accessories are not covered under the GM New Vehicle Limited Warranty. They also may damage the vehicle, compromise its compliance with safety standards or void the GM Warranty on the vehicle itself. GM is not responsible for the consequences of installing any non-GM equipment, parts or accessories on the vehicle. A list of non-GM parts is available to you upon request.

DESCRIPTION	TOTALS
LABOR AMOUNT	
PARTS AMOUNT	
GAS, OIL, LUBE	
SUBLET AMOUNT	
MISC. CHARGES	
TOTAL CHARGES	
LESS INSURANCE	
SALES TAX	
PLEASE PAY THIS AMOUNT	

(SIGNED) DEALER, GENERAL MANAGER OR AUTHORIZED PERSON (DATE)

CUSTOMER SIGNATURE