

ORIGINAL SENATE  
FILE NO. SF0106

ENROLLED ACT NO. 44, SENATE

SIXTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING  
2025 GENERAL SESSION

AN ACT relating to motor vehicles; authorizing new vehicle dealers to establish hourly labor rates and retail parts markup rates to be charged for warranty repairs; specifying procedures for establishing and calculating the rates; providing exceptions; requiring mediation; providing a civil cause of action; providing definitions; and providing for an effective date.

*Be It Enacted by the Legislature of the State of Wyoming:*

**Section 1.** W.S. 31-16-117(b), (d) and by creating new subsections (f) through (t) is amended to read:

**31-16-117. Payment for delivery preparation, warranty, sales incentives and service incentives.**

(b) No schedule of compensation shall fail to include reasonable compensation for diagnostic work, repair service and labor. Time allowances for the diagnosis and performance of warranty work and service shall be reasonable and adequate for the work to be performed. The hourly labor rate charged by the dealer for warranty service shall not exceed the hourly labor rate charged to nonwarranty customers for nonwarranty service and repairs, provided that rate is reasonable and complies with the requirements of this section. Reimbursement for parts purchased by the dealer for use in performing work pursuant to a manufacturer's express warranty shall be dealer cost plus ~~thirty percent (30%)~~ the dealer's retail parts markup rate, provided that rate is reasonable and complies with the requirements of this section.

(d) All claims made by new vehicle dealers for predelivery preparation, warranty, sales incentives or service incentives shall be paid or credited within thirty

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(30) days following their approval. The manufacturer may audit claims and charge the dealer for unsubstantiated or incorrect claims for a period of one (1) year following payment except where the manufacturer reasonably suspects fraud. A manufacturer that reasonably suspects fraud may audit claims for a period of four (4) years and charge the dealer for fraudulent claims as otherwise provided by law. All claims shall be either approved or disapproved within thirty (30) days after their receipt, on forms or by computerized communication and in the manner specified by the manufacturer including a computerized communications system. Any claim not specifically disapproved in writing or through electronic communication within thirty (30) days after receipt is construed to be approved and payment shall be made within thirty (30) days. A dealer whose claim has been denied for failing to comply with a specific claim processing requirement, including a clerical error or other administrative technicality that does not question the legitimacy of the claim, may resubmit the corrected claim in accordance with this subsection.

(f) A new vehicle dealer may establish an hourly labor rate or a retail parts markup rate charged for warranty repairs to be included in the manufacturer's schedule of compensation by mutual agreement with the manufacturer or by submitting to the manufacturer, in accordance with the manufacturer's reasonable procedures, the following:

(i) The consecutive repair orders charged to nonwarranty customers for nonwarranty service and repairs made within one hundred eighty (180) days before the dealer made its submission under this subsection that includes one hundred (100) sequential repair orders reflecting qualified

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repairs or all repair orders closed during any period of ninety (90) consecutive days, whichever is less; and

(ii) The dealer's proposed hourly labor rate or retail parts markup rate based on the repair orders submitted under paragraph (i) of this subsection and as calculated under subsections (h) through (k) of this section.

(g) A new vehicle dealer shall not establish an hourly labor rate, a retail parts markup rate or both under subsection (f) of this section more than one (1) time every twelve (12) months unless the rate is established by mutual agreement with the manufacturer. Any rate established under this section shall remain in the manufacturer's schedule of compensation until changed in accordance with this section.

(h) A new vehicle dealer's hourly labor rate shall be calculated by dividing the total amount charged for labor for the qualified repair orders submitted pursuant to subsection (f) of this section by the total number of hours worked for the qualified repair orders.

(j) A new vehicle dealer's retail parts markup rate shall be a percentage amount calculated by dividing the total amount charged for the parts in the qualified repair orders submitted pursuant to subsection (f) of this section by the total cost of the purchase of the parts, subtracting one (1) from that amount and multiplying by one hundred (100).

(k) The following work shall not be included in the calculation of a new vehicle dealer's hourly labor rate or retail parts markup rate:

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(i) Repairs that are the subject of a manufacturer's discounts including special events, specials, promotions, coupons and service campaigns;

(ii) Repairs of vehicles owned by the dealer;

(iii) Routine maintenance, including but not limited to routine replacements of fluids, filters, batteries, bulbs, belts, nuts, bolts or fasteners;

(iv) Installations of accessories;

(v) Vehicle reconditioning;

(vi) Safety or emission inspections as required by federal or state law;

(vii) Repairs caused by collision, road hazard, force of elements, vandalism, theft or operator negligence;

(viii) Parts that do not have individual part numbers;

(ix) Internal and dealership employee service and repair orders;

(x) Repair orders where labor is performed by a third party facility.

(m) Not later than thirty (30) days from receipt of the new vehicle dealer's submission under subsection (f) of this section, a new vehicle manufacturer may request that the dealer submit additional repair orders if the manufacturer determines from any set of repair orders submitted under paragraph (f)(i) of this section that the

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dealer's submitted rate is substantially higher or lower than the rate currently on record in the manufacturer's schedule of compensation. The additional repair orders submitted under this subsection shall be for a period of thirty (30) days before or thirty (30) days after the period of time that the original repair orders were submitted under paragraph (f)(i) of this section. A dealer shall submit the additional repair orders requested under this subsection not later than thirty (30) days after receipt of the request. No manufacturer shall request additional repair orders under this subsection more than one (1) time per a dealer's submission under subsection (f) of this section.

(n) A new vehicle manufacturer may contest a new vehicle dealer's submitted rate by providing written notice to the dealer not later than thirty (30) days after receipt of the dealer's submission under subsection (f) or (m) of this section. The manufacturer shall not modify its notice under this subsection including the grounds for contesting the submitted rate after the manufacturer sends its notice to the dealer. The notice under this subsection shall:

(i) Explain the reasons why the dealer's submitted rate is materially incomplete, materially inaccurate or materially unreasonable;

(ii) Provide evidence to substantiate why the submitted rate is materially incomplete, materially inaccurate or materially unreasonable;

(iii) Propose an adjustment to the submitted rate.

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(o) If a new vehicle manufacturer does not request additional repair orders under subsection (m) of this section or contest the new vehicle dealer's submitted rate under subsection (n) of this section then the dealer's submitted rate shall become effective and shall be included in the manufacturer's schedule of compensation forty-five (45) days after the manufacturer receives the dealer's submission under subsection (f) or (m) of this section.

(p) If a new vehicle manufacturer contests a new vehicle dealer's submitted rate under subsection (n) of this section then the manufacturer and the dealer shall participate in mediation. The mediation process shall terminate after sixty (60) days unless extended by unanimous mutual agreement.

(q) Upon the expiration of the mediation period under subsection (p) of this section, a new vehicle dealer may file a civil cause of action in any court of competent jurisdiction not later than sixty (60) days after the expiration of the mediation period. In a civil action brought under this subsection, the new vehicle manufacturer shall have the burden of proving by a preponderance of the evidence that the dealer's submitted rate was materially incomplete, materially inaccurate or materially unreasonable.

(r) This section shall not apply to:

(i) Electric vehicle propulsion batteries provided to the new vehicle dealer at no cost, provided that the new vehicle manufacturer pays a reasonable handling fee to the dealer;

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(ii) Complete engine and transmission assemblies replaced under warranty or other new vehicle manufacturer reimbursed repairs. For these assemblies, the manufacturer shall reimburse the new vehicle dealer for the dealer's costs for the parts purchased by the dealer for use in performing the work pursuant to the manufacturer's express warranty plus forty percent (40%).

(s) If a new vehicle manufacturer provided a part to a new vehicle dealer at no cost to perform repairs under a manufacturer campaign, service action or warranty repair, the manufacturer shall provide to the dealer an amount equal to the retail parts markup for that part. The retail parts markup under this subsection shall be calculated by multiplying the dealer's cost for the part as listed in the manufacturer's price schedule by the retail parts markup rate established under this section.

(t) As used in this section:

(i) "Mediation" means the act of a neutral person in intermediating between or among contending parties with a view of assisting them to adjust or settle their dispute by mutual agreement;

(ii) "Parts" means parts, accessories, equipment, components, systems and functions including rear axle assemblies and replacements of parts, accessories, equipment, components, systems and functions;

(iii) "Qualified repair" means a repair to a motor vehicle that would have been included within the new vehicle manufacturer's new motor vehicle warranty if:

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(A) The motor vehicle that is being repaired had not exceeded the time or mileage limit, or both, of the warranty;

(B) The repair does not constitute a repair that is covered by the warranty; and

(C) The repair does not include any of the work described in W.S. 31-16-117(k).

(iv) "Qualified repair order" means a repair order that encompasses, in whole or in part, at least one (1) qualified repair;

(v) "Repair order" means an accounting copy of an invoice issued to a retail customer that is closed as of the time of submission that evidences at least one (1) repair on a motor vehicle. A "repair order" shall include:

(A) For a retail parts markup rate submission, the cost of each part and the part's sale price including parts sold or used and the total amount charged to the customer;

(B) For an hourly labor rate submission, the number of labor hours charged for each repair, the sale price for the labor and the total amount charged to the customer.



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**Section 2.** This act is effective July 1, 2025.

(END)

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Governor

TIME APPROVED: \_\_\_\_\_

DATE APPROVED: \_\_\_\_\_

I hereby certify that this act originated in the Senate.

\_\_\_\_\_  
Chief Clerk