

# HOUSE . . . . . No. 4019

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## The Commonwealth of Massachusetts

PRESENTED BY:

***Shirley B. Arriaga***

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to ensure fair compensation for warranty service labor.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Shirley B. Arriaga</i>	<i>8th Hampden</i>	<i>1/10/2025</i>

# HOUSE . . . . . No. 4019

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By Representative Arriaga of Chicopee, a petition (accompanied by bill, House, No. 4019) of Shirley B. Arriaga relative to compensation for warranty service labor. Labor and Workforce Development.

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## The Commonwealth of Massachusetts

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In the One Hundred and Ninety-Fourth General Court  
(2025-2026)  
\_\_\_\_\_

An Act to ensure fair compensation for warranty service labor.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1           SECTION 1. Paragraph (2) of subsection (b) of section 9 of chapter 93B of the General  
2   Laws, as appearing in the 2022 Official Edition, is hereby amended striking out clause (ii) and  
3   inserting in place thereof the following clause:-

4           (ii) The retail rate customarily charged by the dealer for labor may be established by: (A)  
5   using reasonable labor time allowances defined by the retail labor time guide reasonably utilized  
6   by the dealer for nonwarranty, customer-paid service repair orders; or (B) submitting to the  
7   manufacturer or distributor 100 sequential nonwarranty, customer-paid service repair orders or  
8   60 consecutive days of nonwarranty, customer-paid service repair orders, whichever is less,  
9   covering repair orders made not more than 180 days before the submission and dividing the  
10   amount of the dealer's total labor sales by the number of total labor hours that generated those  
11   sales. The labor time allowances rate or average labor rate shall be presumed to be fair and  
12   reasonable. The labor rate shall go into effect 30 days following the declaration, subject to audit

13 of the submitted repair orders by the franchisor and a rebuttal of the declared rate, if the dealer  
14 used an average labor rate calculation. If the declared rate is rebutted, the manufacturer or  
15 distributor shall propose an adjustment of the labor rate based on the rebuttal not later than 30  
16 days after submission. If the dealer does not agree with the proposed labor rate, the dealer may  
17 file an action in a court of competent jurisdiction not later than 30 days after receipt of the  
18 proposal by the manufacturer or distributor. In any action commenced under this paragraph, the  
19 manufacturer or distributor shall have the burden of proving that the rate declared by the dealer  
20 was inaccurate or unreasonable.

21           SECTION 2. Paragraph (3) of said subsection (b) of said section 9 of said chapter 93B, as  
22 so appearing, is hereby amended by adding the following sentence:- For the purposes of this  
23 paragraph, “fair and reasonable compensation” shall be the reasonable labor time allowances  
24 defined by the retail labor time guide reasonably utilized by the dealer for non-warranty,  
25 customer-paid service repair orders.