

HOUSE BILL NO. 3384

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE OVERCAST.

7345H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

To amend chapter 407, RSMo, by adding thereto two new sections relating to product repair requirements, with penalty provisions.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 407, RSMo, is amended by adding thereto two new sections, to be known as sections 407.652 and 407.653, to read as follows:

407.652. As used in this section and section 407.653, the following terms mean:

(1) "Authorized repair provider", an individual or business that has an oral or written arrangement for a definite or indefinite period in which a manufacturer or distributor transfers to a separate business organization or individual licensee the right to use a trade name, service mark, or other proprietary identifier for the purposes of offering diagnosis, maintenance, or repair services under the name of the manufacturer. A manufacturer that offers diagnosis, maintenance, or repair services for its product and that does not have an arrangement with an individual or business described in this subdivision shall be considered an authorized repair provider;

(2) "Documentation", manuals, diagrams, reporting output, schematic diagrams, service code descriptions, or other information provided to the authorized repair provider for the purposes of diagnosis, maintenance, repair, or refurbishment;

(3) "Embedded software", programmable instructions provided on firmware delivered with certain products or parts for the purposes of product operation, including all relevant safety, security, and defect patches and fixes made by the manufacturer for this purpose. "Embedded software" shall include all software that meets this definition, regardless of name including, but not limited to, assembly code,

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in bold-face type in the above bill is proposed language.

18 **basic internal operating system, internal operating system, machine code, microcode, or**
19 **root code;**

20 **(4) "Fair and reasonable terms", an equitable price in light of relevant factors**
21 **including, but not limited to:**

22 **(a) The net cost to an authorized repair provider for similar parts,**
23 **documentation, or tools obtained from manufacturers less any discounts, rebates, or**
24 **other incentive programs;**

25 **(b) The cost to the manufacturer for preparing and distributing the parts or**
26 **product, excluding any research and development costs incurred in designing and**
27 **implementing, upgrading, or altering the product, but including amortized capital costs**
28 **for the preparation and distribution of the parts; and**

29 **(c) The price charged by other manufacturers for similar parts or products.**

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31 **For documentation including, but not limited to, software updates, "fair and reasonable**
32 **terms" shall mean at no charge, except if documentation is requested in printed form,**
33 **the manufacturer may charge for reasonable costs of preparing and sending the**
34 **documentation. For software tools, "fair and reasonable terms" shall mean at no**
35 **charge and without requiring authorization, without requiring internet access, and**
36 **without impeding access or use of the product;**

37 **(5) "Farm machinery", any mobile equipment or machinery including, but not**
38 **limited to, tractors, trailers, combines, tillage implements, balers, unmanned aircraft**
39 **systems, off-road vehicles, and other equipment, including attachments and repair parts**
40 **thereof, used in the planting, cultivating, irrigating, harvesting, or ranching of**
41 **agricultural products, excluding self-propelled machines designed primarily for the**
42 **transportation of persons or property on a street or highway;**

43 **(6) "Independent repair provider", an individual or business operating in the**
44 **state that is not affiliated with a manufacturer or a manufacturer's authorized dealer of**
45 **a product but is engaged in the diagnosis, service, maintenance, or repair of products. A**
46 **manufacturer's authorized dealer shall be considered an independent repair provider if**
47 **the dealer engages in the diagnosis, service, maintenance, or repair of a product that is**
48 **not affiliated with the manufacturer;**

49 **(7) "Manufacturer", an individual or business that, in the ordinary course of its**
50 **business, is engaged in selling or leasing new products to consumers or other end users**
51 **and is engaged in the diagnosis, service, maintenance, or repair of those products;**

52 **(8) "Owner", an individual or business that lawfully acquires a product**
53 **purchased or used in the state;**

54 (9) "Product", any farm machinery regardless of the date purchased, whose
55 functioning depends, in whole or in part, on embedded or attached digital electronics;

56 (10) "Remote diagnostics", a remote data transfer function between certain
57 products and a provider of repair services, including for purposes of remote diagnostics,
58 settings controls, or location identification;

59 (11) "Service parts", replacement parts, either new or used, made available by
60 the manufacturer to an authorized repair provider for the purposes of repair;

61 (12) "Tools", any software program, hardware implement, or other apparatus
62 used for diagnosis, maintenance, or repair of a product including, but not limited to,
63 software or other mechanisms that provision, program, or pair a new part, calibrate
64 functionality, or perform a function required to bring the product back to fully
65 functional condition;

66 (13) "Trade secret", anything tangible, intangible, or electronically stored or
67 kept that constitutes, represents, evidences, or records intellectual property including,
68 but not limited to:

69 (a) Secret or confidentially held designs, processes, procedures, formulas,
70 inventions, or improvements;

71 (b) Secret or confidentially held scientific, technical, merchandising, production,
72 financial, business, or management information; or

73 (c) Any trade secret as that term is defined under paragraph (3) of 18 U.S.C.
74 Section 1839.

407.653. 1. Owners of products purchased or used in this state and independent
2 repair providers shall have the right to:

3 (1) Access the same diagnostic and repair information of products manufactured
4 by the manufacturer as the manufacturer makes available to authorized repair
5 providers. Such information shall be provided in the same manner and at the same time
6 as provided to authorized repair providers. Such information shall include, but not be
7 limited to, repair technical updates, diagnostic software, service access passwords,
8 updates and corrections to firmware, and related documentation;

9 (2) Purchase service parts, documentation, and tools available upon fair and
10 reasonable terms. Such service parts shall be made available in the same manner and at
11 the same time as given to authorized repair providers. Such service parts shall include
12 updates to firmware of parts; and

13 (3) Upon the purchase or acquisition of a product, receive a disclosure of any
14 changes or modifications made to the product by previous owners.

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16 **Nothing in this section shall require the manufacturer to sell service parts if the service**
17 **parts are no longer available to the manufacturer or the authorized repair channel of**
18 **the manufacturer.**

19 **2. An authorized repair provider shall have the right to purchase diagnostic,**
20 **service, or repair information of a product in a format standardized with other**
21 **manufacturers instead of a proprietary format from a manufacturer if the**
22 **manufacturer sells diagnostic, service, or repair information to independent repair**
23 **providers or third-party providers in such a standardized format or if the manufacturer**
24 **offers terms and conditions more favorable to independent repair providers or third-**
25 **party providers than the manner and the terms and conditions that are available to an**
26 **authorized repair provider. However, this subsection shall not apply if the proprietary**
27 **format includes diagnostic, service, repair, or dealership operations information or**
28 **functionality not available in a standardized format.**

29 **3. Owners and independent repair providers shall have the right to purchase**
30 **from manufacturers of products sold or used in this state all diagnostic repair tools,**
31 **incorporating the same diagnostic repair and remote diagnostic capabilities that the**
32 **manufacturer makes available to its own repair or engineering staff or any authorized**
33 **repair providers, on fair and reasonable terms.**

34 **4. For equipment that contains an electronic security lock or other security-**
35 **related function, the manufacturer shall make available to owners and independent**
36 **repair providers, on fair and reasonable terms, any special documentation, tools, and**
37 **parts needed to disable the lock or function and to reset it when disabled in the course of**
38 **diagnosis, maintenance, or repair of the equipment. The documentation, tools, and**
39 **parts may be made available through an appropriate secure system.**

40 **5. Manufacturers that provide repair information to aftermarket tools,**
41 **diagnostics, or third-party service information publications and systems have fully**
42 **satisfied their obligations under this section and thereafter, are not responsible for the**
43 **content and functionality of aftermarket diagnostic tools or service information systems.**

44 **6. If a manufacturer has made an express warranty with respect to a product**
45 **and the wholesale price of the equipment is one hundred dollars or more, the**
46 **manufacturer shall provide the parts, tools, and documentation needed to repair the**
47 **product during the warranty period at an equitable price, with convenient delivery, and**
48 **with an enabled functionality, considering:**

49 **(1) The actual cost to the manufacturer to prepare and distribute the part, tool,**
50 **or documentation, exclusive of any research and development costs incurred;**

51 **(2) The ability of owners or independent repair providers to afford the part, tool,**
52 **or documentation; and**

53 **(3) The means by which the part, tool, or documentation is distributed.**

54 **7. Manufacturers of products sold or used in the state for the purposes of**
55 **providing security-related functions shall not exclude diagnostic, service, or repair**
56 **information necessary to reset a security-related electronic function from information**
57 **provided to owners and independent repair providers. If necessary for security**
58 **purposes, manufacturers shall provide information necessary to reset and unlock system**
59 **or security-related electronic modules to owners and independent repair providers**
60 **through an appropriate secure data release system.**

61 **8. Nothing in this section shall require the manufacturer to divulge a trade secret**
62 **to an owner or to an independent repair provider, except as necessary to provide**
63 **documentation, parts, and tools on fair and reasonable terms.**

64 **9. Notwithstanding any law or rule to the contrary, this section shall not be read,**
65 **interpreted, or construed to abrogate, interfere with, contradict, or alter the terms of an**
66 **agreement executed between an authorized repair provider and a manufacturer**
67 **including, but not limited to, performing warranty or recall repair work by an**
68 **authorized repair provider on behalf of a manufacturer pursuant to the authorized**
69 **repair agreement. Except in the case of a dispute arising between a manufacturer and**
70 **its authorized repair provider related to either party's compliance with an existing**
71 **repair agreement, an authorized repair provider shall have all the rights and remedies**
72 **provided in this section.**

73 **10. This section shall not require manufacturers or authorized repair providers**
74 **to provide an owner or independent repair provider access to nondiagnostic and**
75 **nonrepair information provided by a manufacturer to an authorized repair provider**
76 **under the agreement between the manufacturer and the authorized repair provider.**

77 **11. (1) An independent repair provider or owner who believes that a**
78 **manufacturer has failed to provide information including, but not limited to,**
79 **documentation, updates to firmware, safety and security corrections, diagnostics,**
80 **documentation, or a tool required by this section shall notify the manufacturer in**
81 **writing and give the manufacturer thirty days from the date the manufacturer receives**
82 **the complaint to cure the failure. If the manufacturer cures the complaint within thirty**
83 **days, damages are limited to actual damages in any subsequent litigation.**

84 **(2) If the manufacturer fails to respond in a timely manner to the notice**
85 **described under subdivision (1) of this subsection or if an independent repair provider**
86 **or an owner is not satisfied with the manufacturer's cure, the independent repair**
87 **provider or the owner may file a complaint in district court. The complaint shall**
88 **include:**

89 **(a) Written information confirming that the complainant attempted to acquire**
90 **and use, through the then-available standard support function provided by the**
91 **manufacturer, all relevant diagnostics, tools, service parts, documentation, and updates**
92 **to embedded software, including communication with customer assistance via the**
93 **manufacturer's then-standard process, if made available by the manufacturer; and**

94 **(b) Evidence of manufacturer notification as required in subdivision (1) of this**
95 **subsection.**

96 **12. No manufacturer shall be required to provide any information or service**
97 **parts under subsection 1 of this section if the product for which the information or**
98 **service parts are sought is under a valid warranty for repair or replacement of the**
99 **product.**

100 **13. The attorney general shall enforce this section. Each violation of this section**
101 **shall be punishable by a ten-thousand-dollar fine, which shall be distributed to schools**
102 **under Article IX, Section 7 of the Constitution of Missouri.**

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