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HOUSE BILL 2025

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By Representatives Costa, Scott, Radcliff, Veloria, Cody, Dickerson,  
R. Fisher, Tokuda and Kremen

Read first time 02/22/95. Referred to Committee on Law & Justice.

1 AN ACT Relating to motor vehicle warranties; and amending RCW  
2 19.118.021 and 19.118.100.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 19.118.021 and 1990 c 239 s 1 are each amended to read  
5 as follows:

6 Unless the context clearly requires otherwise, the definitions in  
7 this section apply throughout this chapter.

8 (1) "Board" means new motor vehicle arbitration board.

9 (2) "Collateral charges" means any sales or lease related charges  
10 including but not limited to sales tax, use tax, arbitration service  
11 fees, unused license fees, unused registration fees, unused title fees,  
12 finance charges, prepayment penalties, credit disability and credit  
13 life insurance costs not otherwise refundable, any other insurance  
14 costs prorated for time out of service, transportation charges, dealer  
15 preparation charges, or any other charges for service contracts,  
16 undercoating, rustproofing, or factory or dealer installed options.

17 (3) "Condition" means a general problem that results from a defect  
18 or malfunction of one or more parts, or their improper installation by  
19 the manufacturer, its agents, or the new motor vehicle dealer.

1 (4) "Consumer" means any person who has entered into an agreement  
2 or contract for the transfer, lease, or purchase of a new motor  
3 vehicle, other than for purposes of resale or sublease, during the  
4 duration of the warranty period defined under this section.

5 (5) "Court" means the superior court in the county where the  
6 consumer resides, except if the consumer does not reside in this state,  
7 then the superior court in the county where an arbitration hearing or  
8 determination was conducted or made pursuant to this chapter.

9 (6) "Incidental costs" means any reasonable expenses incurred by  
10 the consumer in connection with the repair of the new motor vehicle,  
11 including any towing charges and the costs of obtaining alternative  
12 transportation.

13 (7) "Manufacturer" means any person engaged in the business of  
14 constructing or assembling new motor vehicles or engaged in the  
15 business of importing new motor vehicles into the United States for the  
16 purpose of selling or distributing new motor vehicles to new motor  
17 vehicle dealers. "Manufacturer" does not include any person engaged in  
18 the business of set-up of motorcycles as an agent of a new motor  
19 vehicle dealer if the person does not otherwise construct or assemble  
20 motorcycles.

21 (8) "Motorcycle" means any motorcycle as defined in RCW 46.04.330  
22 which has an engine displacement of at least seven hundred fifty cubic  
23 centimeters.

24 (9) "New motor vehicle" means any new self-propelled vehicle,  
25 including a new motorcycle, primarily designed for the transportation  
26 of persons or property over the public highways that, after original  
27 retail purchase or lease in this state, was initially registered in  
28 this state or for which a temporary motor vehicle license was issued  
29 pursuant to RCW 46.16.460, but does not include vehicles purchased or  
30 leased by a business as part of a fleet of ten or more vehicles. If  
31 the motor vehicle is a motor home, this chapter shall apply to the  
32 self-propelled vehicle and chassis(~~(, but does not include)~~) and those  
33 portions of the vehicle designated, used, or maintained primarily as a  
34 mobile dwelling, office, or commercial space. The term "new motor  
35 vehicle" does not include trucks with nineteen thousand pounds or more  
36 gross vehicle weight rating. The term "new motor vehicle" includes a  
37 demonstrator or lease-purchase vehicle as long as a manufacturer's  
38 warranty was issued as a condition of sale.

1 (10) "New motor vehicle dealer" means a person who holds a dealer  
2 agreement with a manufacturer for the sale of new motor vehicles, who  
3 is engaged in the business of purchasing, selling, servicing,  
4 exchanging, or dealing in new motor vehicles, and who is licensed as a  
5 dealer by the state of Washington.

6 (11) "Nonconformity" means a defect, serious safety defect, or  
7 condition that substantially impairs the use, value, or safety of a new  
8 motor vehicle, but does not include a defect or condition that is the  
9 result of abuse, neglect, or unauthorized modification or alteration of  
10 the new motor vehicle.

11 (12) "Purchase price" means the cash price of the new motor vehicle  
12 appearing in the sales agreement or contract, including any allowance  
13 for a trade-in vehicle; "purchase price" in the instance of a lease  
14 means the purchase price or value of the vehicle declared to the  
15 department of licensing for purposes of tax collection.

16 Where the consumer is a second or subsequent purchaser, lessee, or  
17 transferee and the consumer selects repurchase of the motor vehicle,  
18 "purchase price" means the purchase price of the second or subsequent  
19 purchase or lease. Where the consumer is a second or subsequent  
20 purchaser, lessee, or transferee and the consumer selects replacement  
21 of the motor vehicle, "purchase price" means the original purchase  
22 price.

23 (13) "Reasonable offset for use" means the definition provided in  
24 RCW 19.118.041(1)(c) for a new motor vehicle other than a new  
25 motorcycle. The reasonable offset for use for a new motorcycle shall  
26 be computed by the number of miles that the vehicle traveled before the  
27 manufacturer's acceptance of the vehicle upon repurchase or replacement  
28 multiplied by the purchase price, and divided by twenty-five thousand.

29 (14) "Reasonable number of attempts" means the definition provided  
30 in RCW 19.118.041.

31 (15) "Replacement motor vehicle" means a new motor vehicle that is  
32 identical or reasonably equivalent to the motor vehicle to be replaced,  
33 as the motor vehicle to be replaced existed at the time of original  
34 purchase or lease, including any service contract, undercoating,  
35 rustproofing, and factory or dealer installed options.

36 (16) "Serious safety defect" means a life-threatening malfunction  
37 or nonconformity that impedes the consumer's ability to control or  
38 operate the new motor vehicle for ordinary use or reasonable intended  
39 purposes or creates a risk of fire or explosion.

1 (17) "Substantially impair" means to render the new motor vehicle  
2 unreliable, or unsafe for ordinary use, or to diminish the resale value  
3 of the new motor vehicle below the average resale value for comparable  
4 motor vehicles.

5 (18) "Warranty" means any implied warranty, any written warranty of  
6 the manufacturer, or any affirmation of fact or promise made by the  
7 manufacturer in connection with the sale of a new motor vehicle that  
8 becomes part of the basis of the bargain. The term "warranty" pertains  
9 to the obligations of the manufacturer in relation to materials,  
10 workmanship, and fitness of a new motor vehicle for ordinary use or  
11 reasonably intended purposes throughout the duration of the warranty  
12 period as defined under this section.

13 (19) "Warranty period" means the period ending two years after the  
14 date of the original delivery to the consumer of a new motor vehicle,  
15 or the first twenty-four thousand miles of operation, whichever occurs  
16 first.

17 **Sec. 2.** RCW 19.118.100 and 1989 c 347 s 6 are each amended to read  
18 as follows:

19 (1) The consumer or the manufacturer may request a trial de novo of  
20 the arbitration decision, including a rejection, in superior court.

21 (2) If the manufacturer appeals, the court may require the  
22 manufacturer to post security for the consumer's financial loss due to  
23 the passage of time for review.

24 (3) If the consumer prevails, recovery shall include the monetary  
25 value of the award, attorneys' fees and costs incurred in the superior  
26 court action, and, if the board awarded the consumer replacement or  
27 repurchase of the vehicle and the manufacturer did not comply,  
28 continuing damages in the amount of (~~twenty-five~~) one hundred dollars  
29 per day for all days beyond the forty calendar day period following the  
30 manufacturer's receipt of the consumer's acceptance of the board's  
31 decision in which the manufacturer did not provide the consumer with  
32 the free use of a comparable loaner replacement motor vehicle. If it  
33 is determined by the court that the party that appealed acted without  
34 good cause in bringing the appeal or brought the appeal solely for the  
35 purpose of harassment, the court may triple, but at least shall double,  
36 the amount of the total award.

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