
HOUSE BILL 2150

State of Washington

55th Legislature

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By Representatives Kenney, Costa, Mason, Grant, Blalock, O'Brien,
Conway, Gardner and Ogden

Read first time 02/24/97. Referred to Committee on Commerce & Labor.

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 1995 c 254 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 was originally
27 purchased or leased at retail from a new motor vehicle dealer or
28 leasing company in this state, and that was initially registered in
29 this state or for which a temporary motor vehicle license was issued
30 pursuant to RCW 46.16.460, but does not include vehicles purchased or
31 leased by a business as part of a fleet of ten or more vehicles at one
32 time or under a single purchase or lease agreement. If the motor
33 vehicle is a motor home, this chapter shall apply to the self-propelled
34 vehicle and chassis(~~(, but does not include)~~) and those portions of the
35 vehicle designated, used, or maintained primarily as a mobile dwelling,
36 office, or commercial space. The term "new motor vehicle" does not
37 include trucks with nineteen thousand pounds or more gross vehicle
38 weight rating. The term "new motor vehicle" includes a demonstrator or

1 lease-purchase vehicle as long as a manufacturer's warranty was issued
2 as a condition of sale.

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

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

13 (12) "Purchase price" means the cash price of the new motor vehicle
14 appearing in the sales agreement or contract.

15 (a) "Purchase price" in the instance of a lease means the actual
16 written capitalized cost disclosed to the consumer contained in the
17 lease agreement. If there is no disclosed capitalized cost in the
18 lease agreement the "purchase price" is the manufacturer's suggested
19 retail price including manufacturer installed accessories or items of
20 optional equipment displayed on the manufacturer label, required by 15
21 U.S.C. Sec. 1232.

22 (b) "Purchase price" in the instance of both a vehicle purchase or
23 lease agreement includes any allowance for a trade-in vehicle but does
24 not include any manufacturer-to-consumer rebate appearing in the
25 agreement or contract that the consumer received or that was applied to
26 reduce the purchase or lease cost.

27 Where the consumer is a subsequent transferee and the consumer
28 selects repurchase of the motor vehicle, "purchase price" means the
29 consumer's subsequent purchase price. Where the consumer is a
30 subsequent transferee and the consumer selects replacement of the motor
31 vehicle, "purchase price" means the original purchase price.

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

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

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

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

10 (17) "Subsequent transferee" means a consumer who acquires a motor
11 vehicle, within the warranty period, as defined in this section, with
12 an applicable manufacturer's written warranty and where the vehicle
13 otherwise met the definition of a new motor vehicle at the time of
14 original retail sale or lease.

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

19 (19) "Warranty" means any implied warranty, any written warranty of
20 the manufacturer, or any affirmation of fact or promise made by the
21 manufacturer in connection with the sale of a new motor vehicle that
22 becomes part of the basis of the bargain. The term "warranty" pertains
23 to the obligations of the manufacturer in relation to materials,
24 workmanship, and fitness of a new motor vehicle for ordinary use or
25 reasonably intended purposes throughout the duration of the warranty
26 period as defined under this section.

27 (20) "Warranty period" means the period ending two years after the
28 date of the original delivery to the consumer of a new motor vehicle,
29 or the first twenty-four thousand miles of operation, whichever occurs
30 first.

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

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

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

1 (3) If the consumer prevails, recovery shall include the monetary
2 value of the award, attorneys' fees and costs incurred in the superior
3 court action, and, if the board awarded the consumer replacement or
4 repurchase of the vehicle and the manufacturer did not comply,
5 continuing damages in the amount of (~~twenty-five~~) one hundred dollars
6 per day for all days beyond the forty calendar day period following the
7 manufacturer's receipt of the consumer's acceptance of the board's
8 decision in which the manufacturer did not provide the consumer with
9 the free use of a comparable loaner replacement motor vehicle. If it
10 is determined by the court that the party that appealed acted without
11 good cause in bringing the appeal or brought the appeal solely for the
12 purpose of harassment, the court may triple, but at least shall double,
13 the amount of the total award.

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