

FINAL BILL REPORT

SHB 1215

C 351 L 09
Synopsis as Enacted

Brief Description: Modifying motor vehicle warranty provisions.

Sponsors: House Committee on Commerce & Labor (originally sponsored by Representatives Wood, Chandler, Kirby, Ormsby and Morrell; by request of Attorney General).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background:

The Motor Vehicle Warranty Act (Act), also known as the state's "lemon law," establishes the rights and responsibilities of consumers, dealers, and manufacturers when new or nearly new vehicles are defective. Motorcycles are considered motor vehicles for application of the Act.

The Act requires that notice of manufacturers' warranties be given to consumers along with information to assist the consumer who needs to repair a defective vehicle. Once repair is requested, the manufacturer must make a reasonable effort to repair the vehicle. If, after reasonable attempts to repair the vehicle, the defects continue to exist, the consumer may request replacement of the vehicle or repurchase of the defective vehicle by the manufacturer.

The Act establishes three bases for a claim:

- a vehicle with a serious safety defect that the manufacturer has unsuccessfully attempted to repair at least two times;
- a vehicle with some other substantial defect that the manufacturer has unsuccessfully attempted to diagnose or repair at least four times; or
- a vehicle that has been out of service for 30 cumulative calendar days with at least 15 of those days occurring during the warranty period.

At least one of the repair attempts needs to happen during the "warranty period," which is within two years of the vehicle being delivered to the customer or the first 24,000 miles of operation, whichever occurs first.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

If either party disputes the need to impose a remedy, a party may first seek arbitration of the dispute. The Attorney General manages the arbitration process and contracts with private arbitration boards. Arbitration boards may award either replacement or repurchase of the vehicle by the manufacturer and a consumer's attorneys' fees for the arbitration process if the manufacturer is represented by an attorney.

Manufacturers may resell a nonconforming vehicle if the nonconformity can be eliminated and the manufacturer so warrants. Designations must be placed on the title of vehicles that have been returned to the manufacturer under the lemon law and then resold.

A violation of the Act is also a violation of the Consumer Protection Act.

Summary:

Basis for Claims.

In addition to the three existing bases for claims under the Act, a basis is added for two or more serious safety defects that occur within a 12-month period. A serious safety defect is a life threatening malfunction or nonconformity. Each of the defects must have been subject to diagnosis or repair one or more times. In the case of motor homes, a consumer must provide notice of the defects to the manufacturers. The manufacturers may perform a safety evaluation of the motor home and provide a written report to the consumer.

Warranties.

The term "warranty period" is replaced with the term "eligibility period."

Warranties include modifications by new motor vehicle dealers if the dealer is installing the manufacturer's authorized parts according to the manufacturer's specifications. The definition of manufacturer is extended to include a post-manufacturing modifier of a motor prior to the initial retail sale or lease. If a customer requests a modification that would partially or completely void the manufacturer's warranty, a dealer is required to provide a disclosure, signed and dated by the customer, that says: "Your requested modification may void all or part of a manufacturer warranty and a resulting defect or condition may not be subject to remedies afforded by the Motor Vehicle Warranties Act, chapter 19.118 RCW."

The warranty provisions are extended to motor vehicles purchased or leased by members of the armed forces regardless of whether the vehicle was purchased or leased in Washington.

Arbitration Process.

Changes are also made to the arbitration process. The Attorney General may manage certain aspects of the process rather than contracting out to an arbitration board for the entire process.

Title for Reacquired Vehicles.

Within 60 days of receiving a reacquired vehicle, the manufacturer must apply for a new title with the Department of Licensing. The Department of Licensing must issue a new title with a title brand indicating that the vehicle was returned to the manufacturer under the Act and provide information that the nonconformity has been corrected.

Application.

The provisions are remedial in nature and apply retroactively to the effective date of the Act.

Votes on Final Passage:

House	96	1	
Senate	45	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009