

FINAL BILL REPORT

ESSB 5629

C 254 L 95

Synopsis as Enacted

Brief Description: Updating new motor vehicle warranty provisions.

Sponsors: Senate Committee on Labor, Commerce & Trade (originally sponsored by Senators Pelz, Fraser, Rinehart and McCaslin; by request of Attorney General).

Senate Committee on Labor, Commerce & Trade

Senate Committee on Ways & Means

House Committee on Commerce & Labor

Background: The Motor Vehicle Warranty Act, also known as the Lemon Law, establishes the rights and responsibilities of consumers, dealers, and manufacturers of new motor vehicles. Original owners and some subsequent owners are protected by the act. If a consumer has a defective new motor vehicle, that person writes to the manufacturer requesting repair. The manufacturer has a certain amount of time to try to fix the problem. If the problem cannot be fixed, the manufacturer must replace or buy back the motor vehicle. If the vehicle is bought back, the consumer is entitled to a refund of the purchase price, collateral charges such as sales tax or unused registration fees, and incidental costs, less a reasonable offset for use. A manufacturer may resell certain motor vehicles that it had to buy back.

The act also allows a consumer to request arbitration. An arbitration board may award the same remedies as those available to a consumer whose car was bought back by the manufacturer, as well as attorney fees. An arbitration board's decision may be appealed to superior court.

Summary: A number of refinements are added to the Motor Vehicle Warranty Act. The definition of "fleet vehicles," which is not covered by the act, is clarified. Definitions of the "purchase price" of purchased and leased cars are revised, and include trade-in allowances, but not manufacturers' rebates. Manufacturers' and dealers'/lessors' duties to provide warranty information to consumers are clarified.

Consumers are entitled to "incidental costs" of repair if a manufacturer replaces a vehicle. The amount of offset is revised.

There are new disclosure requirements for a manufacturer who resells a vehicle it buys back from a consumer.

The procedure by which documents and records may be obtained in anticipation of arbitration is changed. When a manufacturer is notified of a request for arbitration, it must identify the issues and affirmative defenses to the consumer and the arbitration board. Circumstances under which the board may award attorney fees to a consumer are clarified. A new section is added establishing the obligations of both the consumer and the

manufacturer when complying with the board's decision. Noncompliance by a consumer in response to a manufacturer's offer of compliance is a rejection of the award.

The arbitration fee paid by consumers of new motor vehicles is changed from \$5 to \$3.

The Department of Licensing is authorized to provide the vehicle title history to a current owner who is pursuing rights under the act.

There is a standard severability clause.

Votes on Final Passage:

Senate	47	1	
House	96	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: May 5, 1995