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HOUSE BILL 2131

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By Representatives L. Thomas, Sheahan, Sterk, Honeyford, Wolfe, Robertson, Pelesky, Mulliken, Sommers, Radcliff, Campbell and D. Schmidt

Read first time 01/08/96. Referred to Committee on Law & Justice.

1 AN ACT Relating to the motor vehicle lemon law; and amending RCW  
2 19.118.021.

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 those portions of the vehicle  
35 designated, used, or maintained primarily as a mobile dwelling, office,  
36 or commercial space. The term "new motor vehicle" does not include  
37 trucks with nineteen thousand pounds or more gross vehicle weight  
38 rating. The term "new motor vehicle" includes a demonstrator or lease-  
39 purchase vehicle as long as a manufacturer's warranty was issued as a

1 condition of sale. "New motor vehicle" includes a snowmobile as  
2 defined in RCW 46.10.010 and a personal watercraft as defined in RCW  
3 88.12.010.

4 (10) "New motor vehicle dealer" means a person who holds a dealer  
5 agreement with a manufacturer for the sale of new motor vehicles, who  
6 is engaged in the business of purchasing, selling, servicing,  
7 exchanging, or dealing in new motor vehicles, and who is licensed or  
8 required to be licensed as a vehicle dealer by the state of Washington.  
9 "New motor vehicle dealer" also includes a vessel dealer registered or  
10 required to be registered under chapter 88.02 RCW and includes a  
11 snowmobile dealer registered or required to be registered under chapter  
12 46.10 RCW.

13 (11) "Nonconformity" means a defect, serious safety defect, or  
14 condition that substantially impairs the use, value, or safety of a new  
15 motor vehicle, but does not include a defect or condition that is the  
16 result of abuse, neglect, or unauthorized modification or alteration of  
17 the new motor vehicle.

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

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

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

32 Where the consumer is a subsequent transferee and the consumer  
33 selects repurchase of the motor vehicle, "purchase price" means the  
34 consumer's subsequent purchase price. Where the consumer is a  
35 subsequent transferee and the consumer selects replacement of the motor  
36 vehicle, "purchase price" means the original purchase price.

37 (13) "Reasonable offset for use" means the definition provided in  
38 RCW 19.118.041(1)(c) for a new motor vehicle other than a new  
39 motorcycle. The reasonable offset for use for a new motorcycle shall

1 be computed by the number of miles that the vehicle traveled before the  
2 manufacturer's acceptance of the vehicle upon repurchase or replacement  
3 multiplied by the purchase price, and divided by twenty-five thousand.

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

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

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

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

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

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

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

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