
SENATE BILL 6194

State of Washington **52nd Legislature** **1992 Regular Session**

By Senators Rinehart and Patterson

Read first time 01/21/92. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to automobile manufacturers' adjustment programs;
2 and adding a new chapter to Title 19 RCW.

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

4 NEW SECTION. **Sec. 1.** Unless the context clearly requires
5 otherwise, the definitions in this section apply throughout this
6 chapter.

7 (1) "Adjustment program" means a program or policy that expands or
8 extends the consumer's warranty beyond its stated limit or under which
9 a manufacturer offers to pay for all or a part of the cost of
10 repairing, or to reimburse consumers for all or a part of the cost of
11 repairing, a condition that may substantially affect vehicle
12 durability, reliability, or performance, other than service provided
13 under a safety or emission-related recall campaign. "Adjustment

1 program" does not include adjustments made by a manufacturer on a case-
2 by-case basis.

3 (2) "Consumer" means the purchaser, other than for purposes of
4 resale, of a motor vehicle, a lessee of a motor vehicle, a person to
5 whom the motor vehicle is transferred during the duration of an express
6 warranty applicable to the motor vehicle, and a person entitled by the
7 terms of the warranty to enforce the obligations of the warranty.

8 (3) "Manufacturer" means a person engaged in the business of
9 constructing or assembling new motor vehicles or engaged in the
10 business of importing new motor vehicles into the United States for the
11 purpose of selling or distributing new motor vehicles to new motor
12 vehicle dealers.

13 (4) "New motor vehicle" means a new self-propelled vehicle,
14 including a new motorcycle, primarily designed for the transportation
15 of persons or property over the public highways that, after original
16 retail purchase or lease in this state, was initially registered in
17 this state or for which a temporary motor vehicle license was issued
18 pursuant to RCW 46.16.460, but does not include vehicles purchased or
19 leased by a business as part of a fleet of ten or more vehicles. If
20 the motor vehicle is a motor home, this chapter shall apply to the
21 self-propelled vehicle and chassis, but does not include those portions
22 of the vehicle designated, used, or maintained primarily as a mobile
23 dwelling, office, or commercial space. "New motor vehicle" does not
24 include trucks with nineteen thousand pounds or more gross vehicle
25 weight rating. "New motor vehicle" includes a demonstrator or lease-
26 purchase vehicle as long as a manufacturer's warranty was issued as a
27 condition of sale.

28 (5) "New motor vehicle dealer" means a person who holds a dealer
29 agreement with a manufacturer for the sale of new motor vehicles, who
30 is engaged in the business of purchasing, selling, servicing,

1 exchanging, or dealing in new motor vehicles, and who is licensed as a
2 dealer by the state of Washington.

3 (6) "Service bulletin" means a document issued by a manufacturer
4 pertaining to an adjustment program or to a condition that may
5 substantially affect vehicle durability, reliability, or performance.

6 NEW SECTION. **Sec. 2.** A manufacturer shall establish a
7 procedure in this state whereby a consumer (1) is informed of an
8 adjustment program applicable to the consumer's motor vehicle and (2)
9 is entitled to receive a copy of a service bulletin or index thereof
10 upon request.

11 NEW SECTION. **Sec. 3.** Within ninety days of the adoption of an
12 adjustment program a manufacturer shall notify, by first class mail,
13 all consumers eligible under the program of the condition in the motor
14 vehicle which is covered by an adjustment program and the principal
15 terms and conditions of the adjustment program.

16 NEW SECTION. **Sec. 4.** Each manufacturer either directly or
17 through its authorized agent shall provide the original purchaser of a
18 new motor vehicle, at the time of purchase, a notice outlining the
19 provisions of this chapter and the rights and remedies provided under
20 this chapter. The written notice shall be deemed sufficient if done in
21 substantially the following form:

22 "Sometimes (insert manufacturer's name) offers a special adjustment
23 program to pay all or part of the cost of certain repairs beyond the
24 terms of the warranty. Check with your new motor vehicle dealer to
25 determine whether an adjustment program is applicable to your new motor
26 vehicle."

1 NEW SECTION. **Sec. 5.** A dealer shall disclose to a consumer
2 seeking repairs for a particular condition at its repair shop, the
3 principal terms and conditions of the manufacturer's adjustment program
4 covering the condition if the dealer has received a service bulletin
5 concerning the adjustment program or otherwise has knowledge of it.

6 NEW SECTION. **Sec. 6.** A new motor vehicle dealer shall post in
7 a prominent place on the business premises one or more signs, readily
8 visible to customers, in the following form:

9 CUSTOMER NOTICE OF SERVICE BULLETINS

10 (1) (INSERT MANUFACTURER'S NAME) HAS ISSUED A SERVICE BULLETIN FOR
11 THE FOLLOWING VEHICLES. (LIST YEAR(S) AND MODEL(S) OF VEHICLE(S).) A
12 SPECIAL ADJUSTMENT PROGRAM MAY PAY ALL OR PART OF THE COST OF CERTAIN
13 REPAIRS BEYOND THE TERMS OF THE WARRANTY.

14 (2) CHECK WITH YOUR DEALER TO DETERMINE WHETHER AN ADJUSTMENT
15 PROGRAM IS APPLICABLE TO YOUR VEHICLE.

16 The first line of each sign shall be in letters not less than one
17 and one-half inch in height and the remaining lines shall be in letters
18 not less than one inch in height.

19 NEW SECTION. **Sec. 7.** A manufacturer shall establish and
20 maintain a toll-free telephone system. The system shall provide that
21 after obtaining the consumer's name and address and the vehicle
22 information as is deemed necessary by the manufacturer, the
23 manufacturer's telephone representative shall: (1) Inform the consumer
24 of the existence of an adjustment program applicable to the consumer's
25 motor vehicle; and (2) advise the consumer that upon payment of the
26 specified fee, if any, the consumer may obtain, by mail, a copy of

1 service bulletins or an index thereof. The telephone representative
2 shall furnish the consumer with the manufacturer's address to which
3 requests for the service bulletins or index may be made.

4 NEW SECTION. **Sec. 8.** A manufacturer who establishes an
5 adjustment program shall implement and follow procedures to assure
6 reimbursement of each consumer who is eligible under a particular
7 program and who incurred expenses for repair of the condition subject
8 to the program prior to acquiring knowledge of the program. The
9 reimbursement shall be consistent with the terms and conditions of the
10 particular program. A claim for reimbursement under this chapter shall
11 be made in writing to the manufacturer within two years of the date of
12 the consumer's payment of repairs for the condition. The manufacturer
13 shall notify the consumer in writing within twenty-one business days of
14 receiving a claim for reimbursement whether the claim will be allowed
15 or denied. If the claim is denied, the specific reasons for the denial
16 shall be stated in writing.

17 NEW SECTION. **Sec. 9.** The fair resolution of adjustment
18 programs is a matter affecting the public interest for the purpose of
19 applying chapter 19.86 RCW. The unfair resolution of adjustment
20 programs is not reasonable in relation to the development and
21 preservation of business. A violation of this chapter constitutes an
22 unfair or deceptive act or practice in trade or commerce for the
23 purpose of applying chapter 19.86 RCW.

24 NEW SECTION. **Sec. 10.** Sections 1 through 9 of this act shall
25 constitute a new chapter in Title 19 RCW.