
SENATE BILL 5123

State of Washington

53rd Legislature

1993 Regular Session

By Senators A. Smith and Rinehart

Read first time 01/13/93. Referred to Committee on Law & Justice.

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
14 program" does not include adjustments made by a manufacturer on a case-
15 by-case basis.

16 (2) "Consumer" means the purchaser, other than for purposes of
17 resale, of a motor vehicle, a lessee of a motor vehicle, a person to
18 whom the motor vehicle is transferred during the duration of an express

1 warranty applicable to the motor vehicle, and a person entitled by the
2 terms of the warranty to enforce the obligations of the warranty.

3 (3) "Manufacturer" means a person engaged in the business of
4 constructing or assembling new motor vehicles or engaged in the
5 business of importing new motor vehicles into the United States for the
6 purpose of selling or distributing new motor vehicles to new motor
7 vehicle dealers.

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

23 (5) "New motor vehicle dealer" means a person who holds a dealer
24 agreement with a manufacturer for the sale of new motor vehicles, who
25 is engaged in the business of purchasing, selling, servicing,
26 exchanging, or dealing in new motor vehicles, and who is licensed as a
27 dealer by the state of Washington.

28 (6) "Service bulletin" means a document or other communication
29 issued by a manufacturer pertaining to: (a) An adjustment program; or
30 (b) to a condition that may substantially affect vehicle durability,
31 reliability, or performance.

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

36 NEW SECTION. **Sec. 3.** Within ninety days of the adoption of an
37 adjustment program a manufacturer shall notify, by first class mail,

1 all consumers eligible under the program of the condition in the motor
2 vehicle which is covered by an adjustment program and the principal
3 terms and conditions of the adjustment program.

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

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

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

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

23 "CUSTOMER NOTICE OF SERVICE BULLETINS
24 (1) (INSERT MANUFACTURER'S NAME) HAS ISSUED A SERVICE BULLETIN FOR
25 THE FOLLOWING VEHICLES. (LIST YEAR(S) AND MODEL(S) OF VEHICLE(S).) A
26 SPECIAL ADJUSTMENT PROGRAM MAY PAY ALL OR PART OF THE COST OF CERTAIN
27 REPAIRS BEYOND THE TERMS OF THE WARRANTY.
28 (2) CHECK WITH YOUR DEALER TO DETERMINE WHETHER AN ADJUSTMENT
29 PROGRAM IS APPLICABLE TO YOUR VEHICLE."

30 The first line of each sign shall be in letters not less than one
31 and one-half inch in height and the remaining lines shall be in letters
32 not less than one inch in height.

1 NEW SECTION. **Sec. 7.** A manufacturer shall establish and maintain
2 a toll-free telephone system. The system shall provide that after
3 obtaining the consumer's name and address and the vehicle information
4 as is deemed necessary by the manufacturer, the manufacturer's
5 telephone representative shall: (1) Inform the consumer of the
6 existence of any adjustment program which may be applicable to the
7 consumer's motor vehicle; and (2) advise the consumer that upon payment
8 of the specified fee, if any, the consumer may obtain, by mail, a copy
9 of service bulletins or an index thereof. The telephone representative
10 shall furnish the consumer with the manufacturer's address to which
11 requests for the service bulletins or index may be made.

12 NEW SECTION. **Sec. 8.** Manufacturers shall implement and follow
13 procedures necessary to assure reimbursement of each consumer who is
14 eligible under a particular adjustment program and who incurred
15 expenses for repair of the condition subject to the program prior to
16 acquiring knowledge of the program. The reimbursement shall be
17 consistent with the terms and conditions of the particular program. A
18 properly documented and complete claim for reimbursement under this
19 chapter shall be made in writing to the manufacturer within two years
20 of the date of the consumer's payment of repairs for the condition. If
21 a claim is submitted which is not properly documented and complete, the
22 two-year period shall be extended for a reasonable length of time
23 necessary to document and complete the claim, but in no case beyond an
24 additional sixty days. The manufacturer shall notify the consumer in
25 writing within twenty-one business days of receiving a claim for
26 reimbursement whether the claim will be allowed or denied. If the
27 claim is denied, the specific reasons for the denial shall be stated in
28 writing.

29 NEW SECTION. **Sec. 9.** The legislature finds that the practices
30 covered by this chapter are matters vitally affecting the public
31 interest for the purpose of applying the consumer protection act,
32 chapter 19.86 RCW. Violations of this chapter are not reasonable in
33 relation to the development and preservation of business. A violation
34 of this chapter is an unfair or deceptive act in trade or commerce and
35 an unfair method of competition for the purpose of applying the
36 consumer protection act, chapter 19.86 RCW.

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

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