

# FINAL BILL REPORT

## SHB 2902

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Synopsis as Enacted

**Brief Description:** Conditioning the collection of the lemon law arbitration fee upon registration of new motor vehicles in Washington state.

**Sponsors:** By House Committee on Commerce & Labor (originally sponsored by Representative Wood).

**House Committee on Commerce & Labor**

**Senate Committee on Consumer Protection & Housing**

**Background:**

The Motor Vehicle Warranties Act, commonly referred to as the Lemon Law, establishes rights and responsibilities for consumers and manufacturers when new or nearly new vehicles are defective. The statute establishes three definitions of a lemon:

- 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.

If a vehicle meets one of these definitions, the manufacturer must either replace or repurchase the vehicle, whichever remedy the consumer chooses. Vehicle dealers and lessors must also collect a \$3 fee for the Lemon Law Arbitration Account from each consumer upon the purchase or lease of a new vehicle. The dealer or lessor then forwards that fee to the Department of Licensing at the time of the title application.

**Summary:**

The \$3 arbitration fee for the Lemon Law Arbitration Account collected by vehicle dealers and lessors is collected only if the new motor vehicle will be registered in Washington.

**Votes on Final Passage:**

House	97	0
Senate	49	0

**Effective:** June 12, 2008