



SAFEGUARDING CONSUMERS:
LEMON LAW FIX

LEGISLATION:
HB 2429

The Attorney General’s Office is requesting legislation to revise RCW 19.118.061 to extend “lemon” disclosure requirements to used vehicle dealers. This would mean that all dealers meeting the definition under RCW 46.70.011(4) must comply with the same resale disclosure requirements as new vehicle dealers when selling “lemon” vehicles to the first retail buyer and in wholesale transactions prior to the first retail buyer.

The proposed changes would also provide remedies for dealers and consumers who didn’t receive the appropriate disclosures when they purchased a manufacturer-reacquired “lemon” vehicle.

THE PROBLEM:

Washington’s Lemon Law does not require used car dealers to disclose whether a vehicle was ever bought back from a manufacturer under a Lemon Law program.

BACKGROUND:

Car purchasers expect to know whether a vehicle was ever bought back from a manufacturer under a Lemon Law program. Washington’s Lemon Law requires “new motor vehicle dealers” to disclose if a car was reacquired under another state’s “lemon” buyback law. The law also requires them to inform potential buyers that the car’s title will include a comment that that the vehicle was previously returned to the manufacturer and that this may affect the vehicle’s future resale value.

However, the law does not require used car dealers to make such disclosures during retail or wholesale sales.

The Attorney General investigates potential violations of resale disclosure requirements in RCW 19.118 .061. In reviewing pending cases, we learned that used car dealers are obtaining reacquired “lemon” vehicles at auctions and re-selling these vehicles without disclosing the “lemon” status to consumers. Used car dealers did not previously have access to these vehicles, which were largely sold at closed auctions to new car dealers.

Serious safety defects, corrections of defects, and whether a vehicle has a repurchase history are all mandated disclosures and should extend to new and used car dealers.