

HB 2885 STAFF MEASURE SUMMARY

House Committee On Business and Labor

Prepared By: Jan Nordlund, LPRO Analyst

Meeting Dates: 3/11

WHAT THE MEASURE DOES:

Modifies consumer protections when new motor vehicle fails to meet terms of express warranties. Adds extended warranty to list of collateral charges subject to compensation. Requires manufacturer to replace, refund, or return installed aftermarket items. Revises formula for determining refund amount. Allows, rather than compels, consumer to participate in informal dispute resolution with manufacturer. Extends protections to purchase of demonstration model.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon's "lemon law" requires manufacturers and their authorized dealers to replace or refund a new motor vehicle if they are unable to conform the vehicle to the manufacturer's express warranty by repairing or correcting a defect of condition that substantially impairs the use, market value or safety of the vehicle to the consumer after a reasonable number of attempts. If the consumer wishes to be refunded, the vehicle is exchanged for the full purchase or lease price and collateral charges paid, less a reasonable allowance to reflect the consumer's use of the vehicle. Motor vehicles are covered for the two-year period following original delivery to the consumer or during the first 24,000 miles, whichever period ends first. The consumer must notify the manufacturer in writing and give the manufacturer an opportunity to correct the defect.