

HB 3305 -1 STAFF MEASURE SUMMARY

House Committee On Business and Labor

Prepared By: Jan Nordlund, LPRO Analyst

Meeting Dates: 3/15, 4/14

WHAT THE MEASURE DOES:

Extends Oregon's "lemon law" to include travel trailers. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Current limit of lemon law to motorized vehicles
- Exemption for motor home's living facility components
- How to calculate refund value when trailer has no odometer
- Whether travel trailer manufacturers or dealers must provide warranty
- Contracts often carry forced arbitration clause preventing consumer from bringing action in court

EFFECT OF AMENDMENT:

-1 Modifies definition of travel trailer to mean structural elements and not items for the living quarters.

- No revenue impact
- Minimal expenditure impact

BACKGROUND:

Oregon's "lemon law" requires manufacturers and their authorized dealers to replace a motor vehicle with a new 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. Instead of having the vehicle replaced, the consumer can return the vehicle in exchange for a refund for the full purchase or lease price and collateral charges paid less a reasonable allowance for the consumer's use. Only new motor vehicles are covered for the two-year period following original deliver 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.

House Bill 3305 extends the "lemon law" protections to new travel trailers for the two-year period following original deliver to the consumer.