

HB 3305 A STAFF MEASURE SUMMARY

Senate Committee On Business and Transportation

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Meeting Dates: 5/22, 5/31

WHAT THE MEASURE DOES:

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

FISCAL: Minimal fiscal impact

REVENUE: No revenue impact

ISSUES DISCUSSED:

- Examples of consumers experiencing repeated problems with travel trailers
- Some settlement agreements include "gag orders" that prohibit consumer from disclosing information
- Whether non-motorized vehicles should be subject to "lemon law"
- Scope of problem

EFFECT OF AMENDMENT:

No amendment.

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 of the full purchase or lease price and collateral charges paid, less a reasonable allowance to reflect the consumer's use of the vehicle. Only new motor vehicles are covered, and only for the first two years following original delivery to the consumer or for the first 24,000 miles, whichever comes first. The consumer must notify the manufacturer in writing, and give the manufacturer an opportunity to correct the defect.

House Bill 3305-A extends "lemon law" protections to new travel trailers for the two-year period following original delivery to the consumer. If a refund is paid, an amount equal to the reasonable rate of a rental, multiplied by the number of days the consumer used the trailer, is to be subtracted from the purchase or lease price.

HOUSE VOTE: 44-12