

HB 3305 A STAFF MEASURE SUMMARY

Carrier: Rep. Stark

House Committee On Business and Labor

Action Date: 04/14/17

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 6-2-1-0

Yeas: 6 - Bynum, Doherty, Evans, Fahey, Hack, Holvey

Nays: 2 - Barreto, Kennemer

Exc: 1 - Heard

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

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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:

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

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 to reflect the consumer's use of the vehicle. Only new 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.

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