

# Initiative Measure No. 993

**Filed**

**JAN 18 2008**

**SECRETARY OF STATE**

1 AN ACT Relating to new product warranties; amending RCW 19.118.021  
2 and 19.118.031; adding a new section to chapter 62A.2 RCW; and  
3 providing an effective date.

4 BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 62A.2 RCW  
6 to read as follows:

7 (1) Except as provided under subsection (2) of this section, all  
8 new products sold in the state of Washington must have a five-year  
9 manufacturer's express warranty on material failures and general  
10 operation of the product. The manufacturer shall either refund the  
11 cost of the product to the consumer or repair or replace the product at  
12 no cost to the consumer. The five-year warranty must include costs for  
13 parts, labor, shipping and handling, and any other related costs. The  
14 consumer must possess original documentation of the sale of the product  
15 to enforce the five-year warranty.

16 (2) Shoes sold in the state of Washington must have a one-year  
17 manufacturer's express warranty on material failures and shape defects.  
18 The manufacturer shall either refund the cost of the shoe or shoes to  
19 the consumer or repair or replace the shoe or shoes at no cost to the

1 consumer. The one-year warranty must include costs for parts, labor,  
2 shipping and handling, and any other related costs. The consumer must  
3 possess original documentation of the sale of the shoe or shoes to  
4 enforce the one-year warranty.

5 (3) Task-specific, strictly disposable products, such as  
6 nonrechargeable batteries, water balloons, or paper or plastic  
7 utensils, are not covered by the warranties described under this  
8 section.

9 **Sec. 2.** RCW 19.118.021 and 2007 c 425 s 1 are each amended to read  
10 as follows:

11 Unless the context clearly requires otherwise, the definitions in  
12 this section apply throughout this chapter.

13 (1) "Board" means new motor vehicle arbitration board.

14 (2) "Collateral charges" means any sales or lease related charges  
15 including but not limited to sales tax, use tax, arbitration service  
16 fees, unused license fees, unused registration fees, unused title fees,  
17 finance charges, prepayment penalties, credit disability and credit  
18 life insurance costs not otherwise refundable, any other insurance  
19 costs prorated for time out of service, transportation charges, dealer  
20 preparation charges, or any other charges for service contracts,  
21 undercoating, rustproofing, or factory or dealer installed options.

22 (3) "Condition" means a general problem that results from a defect  
23 or malfunction of one or more parts, or their improper installation by  
24 the manufacturer, its agents, or the new motor vehicle dealer.

25 (4) "Consumer" means any person who has entered into an agreement  
26 or contract for the transfer, lease, or purchase of a new motor  
27 vehicle, other than for purposes of resale or sublease, during the  
28 duration of the warranty period defined under this section.

29 (5) "Court" means the superior court in the county where the  
30 consumer resides, except if the consumer does not reside in this state,  
31 then the superior court in the county where an arbitration hearing or  
32 determination was conducted or made pursuant to this chapter.

33 (6) "Incidental costs" means any reasonable expenses incurred by  
34 the consumer in connection with the repair of the new motor vehicle,  
35 including any towing charges and the costs of obtaining alternative  
36 transportation.

1 (7) "Manufacturer" means any person engaged in the business of  
2 constructing or assembling new motor vehicles or engaged in the  
3 business of importing new motor vehicles into the United States for the  
4 purpose of selling or distributing new motor vehicles to new motor  
5 vehicle dealers. "Manufacturer" does not include any person engaged in  
6 the business of set-up of motorcycles as an agent of a new motor  
7 vehicle dealer if the person does not otherwise construct or assemble  
8 motorcycles.

9 (8) "Motorcycle" means any motorcycle as defined in RCW 46.04.330  
10 which has an engine displacement of at least seven hundred fifty cubic  
11 centimeters.

12 (9) "Motor home" means a vehicular unit designed to provide  
13 temporary living quarters for recreational, camping, or travel use,  
14 built on or permanently attached to a self-propelled motor vehicle  
15 chassis or on a chassis cab or van that is an integral part of the  
16 completed vehicle.

17 (10) "Motor home manufacturer" means the first stage manufacturer,  
18 the component manufacturer, and the final stage manufacturer.

19 (a) "First stage manufacturer" means a person who manufactures  
20 incomplete new motor vehicles such as chassis, chassis cabs, or vans,  
21 that are directly warranted by the first stage manufacturer to the  
22 consumer, and are completed by a final stage manufacturer into a motor  
23 home.

24 (b) "Component manufacturer" means a person who manufactures  
25 components used in the manufacture or assembly of a chassis, chassis  
26 cab, or van that is completed into a motor home and whose components  
27 are directly warranted by the component manufacturer to the consumer.

28 (c) "Final stage manufacturer" means a person who assembles,  
29 installs, or permanently affixes a body, cab, or equipment to an  
30 incomplete new motor vehicle such as a chassis, chassis cab, or van  
31 provided by a first stage manufacturer, to complete the vehicle into a  
32 motor home.

33 (11) "New motor vehicle" means any new self-propelled vehicle,  
34 including a new motorcycle, primarily designed for the transportation  
35 of persons or property over the public highways that was originally  
36 purchased or leased at retail from a new motor vehicle dealer or  
37 leasing company in this state, but does not include vehicles purchased  
38 or leased by a business as part of a fleet of ten or more vehicles at

1 one time or under a single purchase or lease agreement. If the motor  
2 vehicle is a motor home, this chapter shall apply to the self-propelled  
3 vehicle and chassis, but does not include those portions of the vehicle  
4 designated, used, or maintained primarily as a mobile dwelling, office,  
5 or commercial space. (~~The term~~) "New motor vehicle" does not include  
6 trucks with nineteen thousand pounds or more gross vehicle weight  
7 rating. (~~The term~~) "New motor vehicle" includes a demonstrator or  
8 lease-purchase vehicle as long as a manufacturer's warranty was issued  
9 as a condition of sale. "New motor vehicle" also includes all parts  
10 installed in or with the new motor vehicle.

11 (12) "New motor vehicle dealer" means a person who holds a dealer  
12 agreement with a manufacturer for the sale of new motor vehicles, who  
13 is engaged in the business of purchasing, selling, servicing,  
14 exchanging, or dealing in new motor vehicles, and who is licensed or  
15 required to be licensed as a vehicle dealer by the state of Washington.

16 (13) "Nonconformity" means a defect, serious safety defect, or  
17 condition that substantially impairs the use, value, or safety of a new  
18 motor vehicle, but does not include a defect or condition that is the  
19 result of abuse, neglect, or unauthorized modification or alteration of  
20 the new motor vehicle.

21 (14) "Purchase price" means the cash price of the new motor vehicle  
22 appearing in the sales agreement or contract.

23 (a) "Purchase price" in the instance of a lease means the actual  
24 written capitalized cost disclosed to the consumer contained in the  
25 lease agreement. If there is no disclosed capitalized cost in the  
26 lease agreement the "purchase price" is the manufacturer's suggested  
27 retail price including manufacturer installed accessories or items of  
28 optional equipment displayed on the manufacturer label, required by 15  
29 U.S.C. Sec. 1232.

30 (b) "Purchase price" in the instance of both a vehicle purchase or  
31 lease agreement includes any allowance for a trade-in vehicle but does  
32 not include any manufacturer-to-consumer rebate appearing in the  
33 agreement or contract that the consumer received or that was applied to  
34 reduce the purchase or lease cost.

35 Where the consumer is a subsequent transferee and the consumer  
36 selects repurchase of the motor vehicle, "purchase price" means the  
37 consumer's subsequent purchase price. Where the consumer is a

1 subsequent transferee and the consumer selects replacement of the motor  
2 vehicle, "purchase price" means the original purchase price.

3 (15) "Reasonable offset for use" means the definition provided in  
4 RCW 19.118.041(1)(c) for a new motor vehicle other than a new  
5 motorcycle. The reasonable offset for use for a new motorcycle shall  
6 be computed by the number of miles that the vehicle traveled before the  
7 manufacturer's acceptance of the vehicle upon repurchase or replacement  
8 multiplied by the purchase price, and divided by twenty-five thousand.

9 (16) "Reasonable number of attempts" means the definition provided  
10 in RCW 19.118.041.

11 (17) "Replacement motor vehicle" means a new motor vehicle that is  
12 identical or reasonably equivalent to the motor vehicle to be replaced,  
13 as the motor vehicle to be replaced existed at the time of original  
14 purchase or lease, including any service contract, undercoating,  
15 rustproofing, and factory or dealer installed options.

16 (18) "Serious safety defect" means a life-threatening malfunction  
17 or nonconformity that impedes the consumer's ability to control or  
18 operate the new motor vehicle for ordinary use or reasonable intended  
19 purposes or creates a risk of fire or explosion.

20 (19) "Subsequent transferee" means a consumer who acquires a motor  
21 vehicle, within the warranty period, as defined in this section, with  
22 an applicable manufacturer's written warranty and where the vehicle  
23 otherwise met the definition of a new motor vehicle at the time of  
24 original retail sale or lease.

25 (20) "Substantially impair" means to render the new motor vehicle  
26 unreliable, or unsafe for ordinary use, or to diminish the resale value  
27 of the new motor vehicle below the average resale value for comparable  
28 motor vehicles.

29 (21) "Warranty" means any implied warranty, any written warranty of  
30 the manufacturer, or any affirmation of fact or promise made by the  
31 manufacturer in connection with the sale of a new motor vehicle that  
32 becomes part of the basis of the bargain. (~~The term~~) "Warranty"  
33 pertains to the obligations of the manufacturer in relation to  
34 materials, workmanship, and fitness of a new motor vehicle for ordinary  
35 use or reasonably intended purposes throughout the duration of the  
36 warranty period as defined under this section.

37 (22) "Warranty period" means the period ending (~~two~~) five years

1 after the date of the original delivery to the consumer of a new motor  
2 vehicle, or the first (~~twenty-four~~) fifty thousand miles of  
3 operation, whichever occurs first.

4 **Sec. 3.** RCW 19.118.031 and 1998 c 298 s 3 are each amended to read  
5 as follows:

6 (1) The manufacturer shall publish an owner's manual and provide it  
7 to the new motor vehicle dealer or leasing company. The owner's manual  
8 shall include a list of the addresses and phone numbers for the  
9 manufacturer's customer assistance division, or zone or regional  
10 offices. A manufacturer shall provide to the new motor vehicle dealer  
11 or leasing company all applicable manufacturer's written warranties.  
12 The dealer or leasing company shall transfer to the consumer, at the  
13 time of original retail sale or lease, the owner's manual and  
14 applicable written warranties as provided by a manufacturer.

15 (2) At the time of purchase, the new motor vehicle dealer shall  
16 provide the consumer with a written statement that explains the  
17 consumer's rights under this chapter. The written statement shall be  
18 prepared and supplied by the attorney general and shall contain a toll-  
19 free number that the consumer can contact for information regarding the  
20 procedures and remedies under this chapter.

21 (3) For the purposes of this chapter, if a new motor vehicle does  
22 not conform to the warranty and the consumer reports the nonconformity  
23 during the term of the warranty period (~~(or the period of coverage of~~  
24 ~~the applicable manufacturer's written warranty, whichever is less,))~~) to  
25 the manufacturer, its agent, or the new motor vehicle dealer who sold  
26 the new motor vehicle, the manufacturer, its agent, or the new motor  
27 vehicle dealer shall make repairs as are necessary to conform the  
28 vehicle to the warranty, regardless of whether such repairs are made  
29 after the expiration of the warranty period. Any corrections or  
30 attempted repairs undertaken by a new motor vehicle dealer under this  
31 chapter shall be treated as warranty work and billed by the dealer to  
32 the manufacturer in the same manner as other work under the  
33 manufacturer's written warranty is billed. (~~For purposes of this~~  
34 ~~subsection, the manufacturer's written warranty shall be at least one~~  
35 ~~year after the date of the original delivery to the consumer of the~~  
36 ~~vehicle or the first twelve thousand miles of operation, whichever~~  
37 ~~occurs first.))~~)

1 (4) Upon request from the consumer, the manufacturer or new motor  
2 vehicle dealer shall provide a copy of any report or computer reading  
3 compiled by the manufacturer's field or zone representative regarding  
4 inspection, diagnosis, or test-drive of the consumer's new motor  
5 vehicle, or shall provide a copy of any technical service bulletin  
6 issued by the manufacturer regarding the year and model of the  
7 consumer's new motor vehicle as it pertains to any material, feature,  
8 component, or the performance thereof.

9 (5) The new motor vehicle dealer shall provide to the consumer each  
10 time the consumer's vehicle is returned from being diagnosed or  
11 repaired under the warranty, a fully itemized, legible statement or  
12 repair order indicating any diagnosis made, and all work performed on  
13 the vehicle including but not limited to, a general description of the  
14 problem reported by the consumer or an identification of the defect or  
15 condition, parts and labor, the date and the odometer reading when the  
16 vehicle was submitted for repair, and the date when the vehicle was  
17 made available to the consumer.

18 (6) No manufacturer, its agent, or the new motor vehicle dealer may  
19 refuse to diagnose or repair any nonconformity covered by the warranty  
20 for the purpose of avoiding liability under this chapter.

21 (7) For purposes of this chapter, consumers shall have the rights  
22 and remedies, including a cause of action, against manufacturers as  
23 provided in this chapter.

24 (8) The warranty period and thirty-day out-of-service period, and  
25 sixty-day out-of-service period in the case of a motor home, shall be  
26 extended by any time that repair services are not available to the  
27 consumer as a direct result of a strike, war, invasion, fire, flood, or  
28 other natural disaster.

29 NEW SECTION. **Sec. 4.** This act takes effect January 1, 2010.

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