

HB 265 -- Used Car Warranties

Sponsor: Johnson (47)

This bill requires motor vehicle dealers to provide warranties on used cars. The bill makes it unlawful for a dealer to:

- (1) Misrepresent the mechanical condition, material defect, or lack thereof, of a used motor vehicle;
- (2) Fail to disclose the existence and terms of any written warranty, service contract, or repair insurance provided by the dealer or other party;
- (3) Represent a vehicle as having a warranty when one is not available; and
- (4) Sell a motor vehicle which falls under certain criteria provided by the bill without a warranty.

Buyers and dealers are allowed to waive warranties as a result of price negotiation. If the dealer fails to provide a written waiver to the buyer, a warranty as a matter of law will be deemed in effect. Dealers are not required to provide warranties on vehicles which sell for less than \$3,000, are seven years old or older, have been declared a total loss by an insurance company, or have more than 100,000 miles.

The Director of the Department of Revenue is required to implement a consumer awareness program to advise consumers of the requirements and protections provided by the bill. The director may establish a fee, to be paid by the consumer, to cover the costs for the administration and enforcement of the provisions of the bill.

The bill also contains provisions regarding legal action brought by consumers relating to court costs, attorney fees, and bad faith claims.