Comments of
The Recreation Vehicle Industry Association
In Support of AB 200
Madison, WI
May 29, 2013

Good Morning.

My name is Jay Landers. I am the Senior Director of Government Affairs for the Recreation Vehicle Industry Association (RVIA) and I am here today in support of AB 200, a bill that amends the Wisconsin lemon law to bring it more in synch with lemon laws in other states.

RVIA is a national trade association that represents the manufactures of recreation vehicles including motorhomes and their component suppliers.

Background:

Lemon laws were first conceived as a mechanism that allowed consumers to find some relief when their automobile had multiple or frequent non-conformities. It makes sense that a product everyone depends on so much and is expensive should have this protection. We depend on our cars to go to work, church, pick up kids, do errands etc. Cars have become a necessity – especially in areas without mass transit.

Unlike automobiles, motorhomes are not a necessity. They are discretionary products. But they are part vehicle and they certainly can be expensive. So inclusion in the lemon law is understandable. But the reality is – the lemon law was enacted with automobiles in mind. As a result, motorhomes often can meet the presumption of a lemon law due to the lemon law
process. However, unlike automobiles, motorhomes are not used on a daily basis. They are essentially a “house on wheels” and as such, there are that many more things that can go wrong.

Motorhomes are a bit more like trucks in that they are both multi-stage manufactured vehicles. But motorhomes are really the ultimate multi-stage vehicle. In fact, all motorhomes have many, many separate warrantors: from the chassis, to the engine, to the transmission often all from different manufacturers/warrantors – to all the house-half components: the refrigerator, generator and the microwave makers, again all different warrantors.

The lemon law process in Wisconsin is unique in that it technically allows a motorhome to be a lemon as a result of applying automobile warranty repair logic to motorhomes.

Regarding Double Damages provision:

Motorhome manufacturers’ survival as a business depends on pleasing their customers, especially because they produce a discretionary product. For that reason alone, even without a lemon law, motorhome manufacturers must take care of their customers. Unfortunately, because these products are built by humans occasionally one may roll off line and into a dealer’s lot.

RVIA believes the lemon law’s principal motivation should not be to punish the manufacturer who, after all, would far prefer that no lemons’ escape their line, but rather to provide another incentive to that manufacturer to promptly restore the fortunes of those unfortunate consumers back to where they were when they first purchased that new vehicle.”
RVIA believes that the current provision that requires vehicle manufacturers who lose a lemon law adjudication to pay double the value of the vehicle plus attorneys fees is overly punitive.

Moreover, that provision has a disparate financial impact on motorhome manufacturers, compared to other vehicles, given the higher cost of motorhomes the lower production volumes and small business characteristics of motorhome manufacturers.

The fact is, the motorhome industry has only a few significant manufacturers – and none of those companies even come remotely close to any auto manufacturer in size, scope or resources.

There are currently about 27 motorhome manufacturers - most of those companies are small or medium sized, family owned businesses. Of that 27, maybe 3 or 4 of them produce an overwhelming majority of the motorhomes sold in the US. And just for comparison purposes, in 2012, a total of 156 motorhomes were shipped to Wisconsin. (Source: RVIA) Compare that to the 313,194 cars and light trucks sold in Wisconsin in the same time frame (Source: NADA) and you can begin to see the disparity between the two industries.

A small volume high-line motorhome manufacturer could easily find itself on thin, financial ice if they were to receive a lemon law judgment that required them to lay out hundreds of thousands of dollars beyond making the consumer whole. Motorhome manufacturers are willing to stand behind their products but feel the double damages provision is excessively punitive and has the potential to jeopardize their entire company.
Regarding Days Out of Service provision:

RVIA also supports the proposed amendments surrounding the clarification of the phrase “days out of service.” Given the usage patterns for a motorhome, it is critical that everyone is clear on the meaning of “days out of service.”

It is not uncommon for motorhome owners to take their motorhome to a dealer with a laundry list of “things” or “issues” that need to be fixed. The owner tells the dealer what is wrong, but that he doesn’t need the motorhome for a few weeks or until mid-summer. So the consumer takes the motorhome back home and the dealer gets busy ordering parts and working on other coaches that are there in the yard. When the parts are available and the timing is convenient for the consumer the repairs are made. However, under the current statute, the lemon law clock is nevertheless ticking?!

That provision makes little sense particularly in the case of a motorhome which is half vehicle and half temporary living quarters. For instance if an appliance has failed, the motorhome can still be safely used. Failure of one component that is incapable of providing service as warranted should not trigger the running of a lemon law clock.

RVIA believes that limiting the ‘days out of service’ to the time it actually takes to make a repair is fair – especially given the fact that some repairs to motorhomes take considerably longer than repairs to an automobile. AB 200’s language is consistent with most lemon laws that define this element as “out of service for repair.”
Regarding Statute of Limitations:

Motorhomes are the ultimate vehicles for “road trips.” Such trips can last for weekends, weeks or multiple weeks at a time. Under the current law, the statute of limitations for filing a lemon law claim is six years. If something is going to go wrong, it is likely to appear within the first year after purchase. Given the expense of a motorhome and the rationale for its use – extended periods of time away from home – it makes little sense for a consumer to wait 6 years before filing a lemon law claim. That time frame is simply an invitation for litigation. The proposed 24 month statute of limitations is consistent with more than a dozen other states where the limitation periods range from 12 to 24 months.

Lastly, it should be noted that motorhome manufacturers are not trying to get out from under the lemon law. In fact, RVIA has worked with the International Association of Lemon Law Administrators and together created a lemon law that is specifically tailored to address our unique issues. Such a law has been enacted in Florida and we are in preliminary discussions with a number of other state lemon law administrators to enact the same law.

Thank you.