May 29, 2013

To: Chairman James Ott and the Assembly Judiciary Committee

From: Wisconsin Automobile and Truck Dealers Association

William A. Sepic, President

Re: Assembly Bill 200 (in Support of)

Dear Chairman Ott & esteemed members of the Wisconsin Assembly Judiciary Committee

The Wisconsin Automobile and Truck Dealers Association urges your support and passage of Assembly Bill 200. The provisions in AB 200 represent amendments to section 218.0171 of the Wisconsin Statutes, better known as the “Lemon Law” that are long overdue.

The Wisconsin Automobile and Truck Dealers support the Lemon Law and highly value its’ effectiveness in ensuring that new vehicle owners who experience significant operational issues with their new vehicle are taken care of quickly and fairly. In most cases, it is the dealer who helps direct their valued customers to the protections and process of making a lemon law claim with the manufacturer. In today’s ultra-competitive motor vehicle market it is in the dealer’s and manufacturer’s best interest to make the claim process as fast, fair and satisfying to the customer, and not only to avoid penalties, but to retain their customer.

However, the current law stands out nationwide. Not because it works any better than the lemon law in every other state, but because of the shockingly high monetary judgments (and even settlements) that manufacturers have to endure. The current law is rigged to entice and allow attorneys and vehicle owners to delay claim satisfaction a mere 30 days, thereby entitling vehicle owners to double the purchase price and their attorneys to set a fee that has no relation to actual hours spent working on the claim. It assesses what is tantamount to punitive damages, without the necessity of showing any intent to do harm or malicious behavior on the part of the manufacturer.

AB 200, brings Wisconsin back in line with other states with regard to expediency and fairness in resolving vehicle performance issues. If AB 200 were to pass Wisconsin consumers will still be entitled to a full money refund within 30 days, a replacement vehicle within 45 days (120 for heavy trucks), and titles are still branded so subsequent buyers have notice that the vehicle had past problems. It also still has cost shifting provisions that require the manufacturer to pay reasonable attorney fees if the previous requirements are not met.

This bill is long overdue and we urge your support in passing it.