

TO: Members, Wisconsin Assembly
FROM: Alliance of Automobile Manufacturers
Motorcycle Industry Council
Recreational Vehicle Industry Association
Truck and Engine Manufacturers Association
Wisconsin Automobile & Truck Dealers Association
Wisconsin Civil Justice Council
Wisconsin Manufacturers & Commerce
RE: Support for Lemon Law Reform – AB 200
DATE: June 12, 2013

The above groups respectfully request you support the needed reforms to our lemon law set forth in AB 200. Please vote yes on Assembly Amendment 1 (AA1), as well as Assembly Substitute Amendment 1 (ASA1).

This legislation, as amended, includes real reforms that will benefit both Wisconsin consumers and motor vehicle manufacturers. These improvements include:

1. Eliminating Mandatory Double Damages. Wisconsin is the only state in the nation to require double damages linked to the purchase price of the vehicle without any evidence of bad faith in efforts to comply with the lemon law. Deletion of this requirement is the single most important policy needed to reform our lemon law.
2. Adding Time for Delivery of a Comparable Vehicle. Existing law requires a manufacturer to provide a comparable new vehicle within 30 days. The bill provides more reasonable time periods: 120 days for heavy-duty vehicles and 45 days for other vehicles.
3. Reducing the Statute of Limitation. Waiting six years to file a claim, as currently allowed, is an unnecessary and unfair delay given a claim can only arise during the first year. The bill has a more reasonable 36-month statute of limitations from time of delivery.
4. Providing a Refund Option if a Comparable Vehicle is Unavailable. The bill, after a due diligence search, allows the manufacturer to provide a refund when no comparable new vehicle exists or is otherwise unavailable.
5. Adding a Good Faith Requirement. The bill allows a court to extend deadlines, reduce damages, attorney fees and costs, and provide other remedies if it finds a party has failed to reasonably cooperate with another party's efforts to comply with the law.
6. Allowing Negotiated Settlements. As an alternative to a refund or comparable new vehicle, the bill allows for negotiated settlements for heavy-duty vehicles.
7. Clarifying Out of Service. The law still creates legal risks not found in other states by allowing certain days that the vehicle is in the possession of the consumer to be counted toward the 30-day out of service requirement. However, the bill improves this area of the

law by requiring in those instances that the vehicle be unable to be used by the consumer for the vehicle's intended purpose due to a nonconformity that substantially affects its use or safety. Also in those instances, the vehicle must be subject to two repair attempts.

8. Providing Fair Notice on Nonconformities. Lacking needed information is a major impediment to compliance for manufacturers. The bill requires necessary information be provided on forms from the Department of Transportation. If the required information is not provided to the satisfaction of the manufacturer, upon their timely request for such information, the time periods to provide refunds or comparable new vehicles do not begin.

The bill before you contains compromises worked out these past weeks with the authors, the motor vehicle manufacturers, and other groups such as the Wisconsin Association for Justice. We appreciate all of their efforts to develop what can fairly be called a consensus bill.

Thank you for your consideration and support.