

Testimony in Support of HB 1184 January 27, 2023

Northwest Consumer Law Center (NWCLC) is the only legal aid organization in Washington State dedicated to consumer law. NWCLC offers low-to-moderate income individuals and families direct legal representation, free legal advice, and educational resources. NWCLC also files amicus briefs and participates in lobbying to advocate on behalf of Washington State consumers.

NWCLC supports House Bill 1184, sponsored by Reps. Hackney, Duerr, and Pollet, and by request of the Attorney General, to enact the used motor vehicles express warranties act. Currently, Washington State only provides an implied warranty of merchantability with used car sales, which is often unknowingly waived by consumers when presented with a confusing stack of paperwork to sign at the car dealership. HB 1184 would remedy this issue by eliminating the option to waive the warranty and ensuring that used vehicles being sold to consumers would meet a certain minimum standard for safety and functionality. If the used vehicle fails this standard, the consumer is guaranteed a certain level of protection under HB 1184 and the Consumer Protection Act.

HB 1184 would provide assurance to consumers that they are purchasing a safe and functional used vehicle. Prior to sale, car dealerships would be required to inspect and repair the vehicles for essential safety issues, lessening the worry and burden on consumers to pay for third-party inspections prior to their purchase of a used vehicle. Consumers who find concern with a purchased vehicle are provided the reassurance that the dealer is expected to repair the defects or offer other reasonable remedies.

NWCLC advocates for consumers who purchased faulty vehicles from dealerships and who often unknowingly waived their rights to the implied warranty without realizing it. Many times, consumers are presented with a stack of paperwork then rushed through without explanation, and for consumers signing electronic documents, they spend even less time reviewing the documents on the screen before signing with their finger. We regularly encounter this issue with potential clients, which shows a great need for the expanded warranty protections offered under HB 1184. Often, dealerships are unwilling to investigate a customer's claims or to provide a reasonable solution after being notified that there's a problem with a used car that they recently sold. The used car buyers are left feeling trapped with unsafe and nonfunctional vehicles that require additional out-of-pocket expenses to ensure that the vehicle can safely transport them from point A to point B. Unfortunately, the current laws offer little relief to these consumers outside of a litigation setting or filing a complaint with the Attorney General's office, which facilitates a mediation, but does not ensure recovery. Additionally, HB 1184 has provisions in place to provide certainty and security to the used car dealerships. The standard set out by the bill, as opposed to the broad standard of "merchantability" in the current implied warranty requirement, allows for dealerships to know what they must inspect, repair, and warrant the used vehicles they hope to sell. The dealers are also protected by not being required to cover vehicles over a certain age or damages caused by the customer's negligence after the sale of the vehicle.

This testimony was prepared by Alyssa P. Au, a staff attorney at NWCLC whose work focuses on automobile fraud. Please contact Alyssa P. Au (<u>alyssa@nwclc.org</u>) if we can provide any further information.

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