

AMENDED IN ASSEMBLY APRIL 11, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2837

Introduced by Assembly Member Jones

February 19, 2016

An act to add Section 1793.27 to the Civil Code, relating to consumer warranties.

LEGISLATIVE COUNSEL'S DIGEST

AB 2837, as amended, Jones. Motor vehicle sales: warranty disclosures.

The existing Song-Beverly Consumer Warranty Act and the existing federal Magnuson-Moss Warranty-Federal Trade Commission Improvement Act provide consumer warranty protection to buyers of various products. Existing law requires that every manufacturer, distributor, or retailer which makes express warranties with respect to consumer goods fully set forth those warranties in simple and readily understood language, as specified.

This bill would require a motor vehicle dealer, as defined, to deliver to a buyer at the time of sale a specifically worded written statement relating to warranties, including that federal law prohibits ~~conditioning a warranty on the buyer's use of a replacement product or repair services identified by brand or name, unless the article or service is provided without charge to the buyer or the dealer has received a waiver from the Federal Trade Commission;~~ *the dealer from denying warranty coverage because routine maintenance or repairs were performed by someone other than the dealer or that aftermarket or recycled parts, as defined, were used, unless the part was defective or wasn't installed correctly and is proven to have damaged another part that is covered*

under warranty. The statement would also be required to refer buyers to the Federal Trade Commission's Internet Web site for further information regarding automobile warranties.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1793.27 is added to the Civil Code, to
2 read:

3 1793.27. (a) A motor vehicle dealer, as defined in Section 285
4 of the Vehicle Code, shall deliver to the buyer of a motor vehicle,
5 as defined in Section 791, at the time of sale a statement in writing,
6 printed in no less than 10-point boldface type, as follows:

7
8 ~~“The Magnuson-Moss Warranty Act, 15 USC 2301 et seq.,~~
9 ~~prohibits warrantors from conditioning warranties on the~~
10 ~~consumer's use of a replacement product or repair services~~
11 ~~identified by brand or name, unless the article or service is provided~~
12 ~~without charge to the consumer or the warrantor has received a~~
13 ~~waiver from the Federal Trade Commission. It is unlawful for a~~
14 ~~manufacturer or dealer to void your warranty or deny coverage~~
15 ~~under the warranty simply because you used an aftermarket part~~
16 ~~or recycled part. If it turns out that an aftermarket part or recycled~~
17 ~~part was itself defective or was not installed correctly and it causes~~
18 ~~damage to another part that is covered under the warranty, the~~
19 ~~manufacturer or dealer has the right to deny coverage for that part~~
20 ~~and charge you for any repairs. The Federal Trade Commission~~
21 ~~requires the manufacturer or dealer to show that the aftermarket~~
22 ~~part or recycled part caused the need for repairs before denying~~
23 ~~warranty coverage.”~~

24 *The Magnuson-Moss Warranty Act, 15 U.S.C. 2301 et seq.,*
25 *which is enforced by the Federal Trade Commission, states “No*
26 *warrantor of a consumer product may condition his written or*
27 *implied warranty of such product on the consumer's using, in*
28 *connection with such product, any article or service (other than*
29 *article or service provided without charge under the terms of the*
30 *warranty) which is identified by brand, trade, or corporate*
31 *name...” This language means that it is illegal for a dealer to deny*
32 *your warranty coverage simply because you had routine*

1 maintenance or repairs performed by someone other than the
2 franchised dealer. It is also illegal for companies to void your
3 warranty or deny coverage under the warranty simply because
4 you used an aftermarket or recycled part. If it turns out that the
5 aftermarket or recycled part was itself defective or wasn't installed
6 correctly and it causes damage to another part that is covered
7 under the warranty, the manufacturer or dealer has the right to
8 deny coverage for that part and charge you for any repairs. The
9 Federal Trade Commission says the manufacturer or dealer must
10 show that the aftermarket or recycled part caused the need for
11 repairs before denying warranty coverage. The Auto Warranties
12 and Routine Maintenance Bulletin issued by the Federal Trade
13 Commission can be found on the commission's website under
14 "Auto Service Contracts and Warranties."
15

16 (b) For purposes of this section:

17 (1) "Aftermarket part" means a part that was made by a company
18 other than the vehicle manufacturer or the original equipment
19 manufacturer.

20 (2) "Recycled part" means a part that was made for and installed
21 in a new vehicle by the manufacturer or the original equipment
22 manufacturer and later removed from the vehicle and made
23 available for resale or reuse.