

AMENDED IN SENATE JULY 5, 2000  
AMENDED IN SENATE JUNE 20, 2000  
AMENDED IN SENATE JUNE 7, 2000  
AMENDED IN ASSEMBLY MAY 1, 2000  
AMENDED IN ASSEMBLY APRIL 13, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2517**

**Introduced by Assembly Member Shelley**

February 24, 2000

---

---

An act to amend Section 1793.26 to the Civil Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 2517, as amended, Shelley. Motor vehicles: reacquisition agreements.

Existing law prohibits any automobile manufacturer, importer, or distributor who reacquires, or who assists a dealer or lienholder in reacquiring, a motor vehicle, whether by judgment, decree, arbitration award, settlement agreement, or voluntary agreement, from engaging in certain conduct involving the buyer or lessee.

This bill would prohibit any automobile dealer or lienholder who reacquires, *or who assists in reacquiring*, a motor vehicle, whether by judgment, decree, arbitration award, settlement agreement, or voluntary agreement, from engaging in certain conduct involving the buyer or lessee.

This bill would also remove the prohibition of that conduct on any automobile manufacturer, importer, or distributor who assists a dealer or lienholder in the reacquirement.

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 1793.26 of the Civil Code is  
2 amended to read:

3 1793.26. (a) Any automobile manufacturer,  
4 importer, distributor, dealer, or lienholder who  
5 reacquires, *or who assists in reacquiring*, a motor vehicle,  
6 whether by judgment, decree, arbitration award,  
7 settlement agreement, or voluntary agreement, is  
8 prohibited from doing either of the following:

9 (1) Requiring, as a condition of the reacquisition of the  
10 motor vehicle, that a buyer or lessee who is a resident of  
11 this state agree not to disclose the problems with the  
12 vehicle experienced by the buyer or lessee or the  
13 nonfinancial terms of the reacquisition.

14 (2) Including, in any release or other agreement,  
15 whether prepared by the manufacturer, importer,  
16 distributor, dealer, or lienholder, for signature by the  
17 buyer or lessee, a confidentiality clause, gag clause, or  
18 similar clause prohibiting the buyer or lessee from  
19 disclosing information to anyone about the problems with  
20 the vehicle, or the nonfinancial terms of the reacquisition  
21 of the vehicle by the manufacturer, importer, distributor,  
22 dealer, or lienholder.

23 (b) Any confidentiality clause, gag clause, or similar  
24 clause in such a release or other agreement in violation of  
25 this section shall be null and void as against the public  
26 policy of this state.

27 (c) Nothing in this section is intended to prevent any  
28 confidentiality clause, gag clause, or similar clause  
29 regarding the financial terms of the reacquisition of the  
30 vehicle.

O

