

CONNECTICUT AUTOMOTIVE RETAILERS ASSOCIATION

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Testimony of Mr. James Fleming of Simsbury, Connecticut
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Joint Standing Committee on General Law
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Senator Doyle, Representative Baram and members of the committee,

My name is James Fleming; I am the president of the Connecticut Automotive Retailers Association (CARA) a trade organization that represents the 265 licensed and franchised new car dealers in the state of Connecticut. For the record this includes all the 265 CARA dealers who are franchised and sell new cars as well as used vehicles. CARA dealers employ over 12,000 people in good jobs here in our state. Last year CARA dealers sold new and used vehicles with a total sales value of nearly \$9 BILLION dollars. This accounts for more than 15% of all retail sales in the state.

I am here to testify in opposition to Proposed Bill 318 An Act Revising the New Automobile Lemon Law. Connecticut's existing law, which incidentally was passed when I was a member of the legislature, works well. It's a good law protecting consumers and putting them on a level playing field with large manufacturers. It balances the right of consumers and manufactures alike to make sure that legitimate claims are handled in a fair manner with due process for all involved. It's a good law since 1892 it has returned more than 60 million dollars in refunds and replacement vehicles to deserving consumers.

The Lemon Law covers vehicles, registered as "passenger," "combination" or "motorcycle" that are purchased or leased new in Connecticut that:

- Do not conform to the manufacturer's express warranty;
- Have substantial defects affecting the use, safety or value of the vehicle, *and* repairs addressed during the eligibility period.
- Have manufacturer's defects that occurred during the first two years from the original owner's delivery date or the first 24,000 miles on the odometer (whichever period ends first).

For those of you who were here when this law was passed you will recall as I do that we put this in place because a young legislator from South Windsor by the name of John Woodcock brought to our attention that consumers were at the mercy of large companies when they experienced big problems with a brand new car. I recall a conversation off the floor with Representative Woodcock on this issue when the original bill was up for a vote. I told him that I thought consumers need help if they had a problem with the second biggest purchase they were ever

likely to make, the first being a new home. I remember saying that it would only be fair to give the car company a chance to fix the issues...but if they could not fix the car consumer should be taken care of. Representative Woodcock assured me that the new law would absolutely give the manufacturer a reasonable attempt to fix the problem and that specific language was put in the law to be sure that both the consumer and the manufacturer did not misuse the law to their own advantage. So here is what the legislature came up with to define **reasonable attempts** to fix the car:

The *same* problem has to be subjected to a reasonable number of repair attempts and continue to exist after these attempts at repair. The law presumes that a "reasonable number" is four. However, if you have less than four repair attempts for the *same* problem, and can justify this as a reasonable number of repair attempts, and repairs have been performed within the eligibility period.

OR

When the vehicle has been out of service for repair at the dealership for a cumulative total of thirty days or more for any number of unrelated problems. These problems must occur within the eligibility period.

OR

In the case of a *safety defect* which is likely to cause death or serious injury if the vehicle is driven, the defect continues to exist after two or more attempts during the first year of operation.

The bill before you is bad law; even in its proposed form it does an end run around fair play and reasonableness. I note the bill states: a new motor vehicle consumer shall **not be required to prove a reasonable number of attempts** have been undertaken to conform a motor vehicle to applicable express warranties...this language essentially would allow any vehicle to qualify for any reason. The lemon law never was nor should it ever be used to allow frivolous claims including "buyer remorse" to be covered under the lemon law. I suspect it will overwhelm the Department of Consumer Protection with hundreds and hundreds of frivolous claims certified by some "backyard mechanic" claiming a vehicle has an issue. This bill is anti consumer, it will clog the system by making it impossible for DCP to deal with legitimate lemon law claims by consumers who truly need help. The cost to staff hearings, investigate claims and ensure due process will be prohibitive for DCP. The language in this bill has the effect of gutting the Connecticut Lemon Law.

There is an old saying in this legislature: "It's a good law and it ought to pass" When I voted for this and it passed it was a good law...it still is...I am not sure why we would want to strike the fairness and reasonable factor from the statute that has helped consumers and treated business fairly for so many years.