



Consumers for Auto Reliability and Safety

December 13, 2013

Governor Scott Walker
115 East Capitol
Madison, WI 53702

Re: REQUEST FOR VETO OF AB 200 – GUTS WISCONSIN LEMON LAW

Dear Governor Walker,

We write to you today regarding Assembly Bill 200 (AB200), which would amend Wisconsin's Lemon Law. The Center for Auto Safety ("CAS") and Consumers for Auto Reliability and Safety (CARS) have long advocated for strong lemon laws that protect consumers from financial and safety risks posed by vehicles that do not conform to manufacturer warranties.

Of particular concern in Assembly Bill 200 is Section 12 of the Bill, which halves both the statute of limitations and damages provisions of the current statute. Under Wisconsin's current law, consumers have a period of 6 years from vehicle delivery to file a lemon law claim and seek a refund. AB200 reduces this period to 3 years – regardless how long the warranty is. This eviscerates important protections for new car buyers, who will lose state lemon law protection, even if they bought the car because the manufacturer advertised and promoted it as having a 10-year warranty.

This drastically anti-consumer provision also essentially eliminates a chance for recovery for consumers who are strung along by automobile manufacturers who seek to stick car buyers with seriously defective vehicles.

Additionally, the current Wisconsin Lemon Law provides for double damages as an incentive for manufacturers to comply with the law. This provides a vitally important incentive for manufacturers to make millions of dollars in investments to ensure quality manufacturing, produce repair parts, develop and manufacture diagnostic equipment, establish distribution centers, provide mechanic training, and provide a timely process for resolving disputes, that benefits all Wisconsin car buyers.

Other states already have stronger incentives for compliance. For example, North Carolina has a mandatory treble damage provision. As now-U.S. Court of Appeals Judge and President George

W. Bush Appointee Janice Rogers Brown opined in an important appellate case, *Jensen v. BMW*, the penalty provision is absolutely necessary in order to provide any incentive for auto manufacturers to comply with the lemon law. If enacted, AB200 will remove any incentive for auto manufacturers to comply with Wisconsin's Lemon Law.

Instead, Manufacturers who fail to comply with the new law would be able to stall and delay, and fail to honor their warranties, with impunity. Auto companies know all too well that most consumers desperately need a safe, reliable vehicle, and many will give up and trade in their lemon at a substantial loss, hoping the next vehicle they buy is not a lemon. Justice delayed is justice denied.

Not only will this harm new car buyers, but it will also mean that more unsafe, seriously defective lemons are resold under the radar to unsuspecting used car buyers, without being repaired, or having their titles branded as lemons.

We urge you to stand up to the auto manufacturers who backed AB 200 and for the millions of Wisconsin consumers who deserve to get what they bargained for, and veto AB200.

Sincerely,

Clarence Ditlow
Executive Director
Center for Auto Safety
Washington, DC

Rosemary Shahan
President
Consumers for Auto Reliability and Safety
Sacramento, CA