

DATE: March 1, 2022

TO: Senator Mike Petersen, Chair Senate Transportation Committee
Members of the Senate Transportation Committee

From: Jeff Perry, Director Public Policy, General Motors Company
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Chair Petersen:

Thank you for the opportunity to submit testimony regarding SB 423.

General Motors is opposed to the proposed changes to the Kansas "Lemon Law" in SB 423. While well intentioned, SB 423 would make Kansas a significant outlier across the United States.

The bill proposes to add new requirements for compensation of "Collateral Charges" that includes reimbursement for fuel expenses "for miles incurred test driving..." As drafted this provision is vague and lacks specificity to clearly identify how such expenses should be identified and calculated. Additionally, no other state provides for such compensation, nor are we aware of any widespread concerns that excessive fuel is being used during the typically short test drives that are common for most vehicle repairs. The bill also includes other elements that appear to provide customers reimbursement where no expenses were actually incurred. As drafted SB 423 would require a manufacturer to compensate a consumer for a rental vehicle "if such costs were included in the warranty agreement and approved by the manufacturer..." If a rental vehicle were provided for under the vehicle warranty and approved by the manufacturer, the customer likely would not have incurred any expenses for a rental vehicle. We presume this was a drafting error. Finally, the bill proposes to provide all consumers in Kansas with free use of their vehicle for the first 15,000 miles. Since the Kansas "lemon law" rights period applies to the first 12 months following original purchase, and the average consumer drives their vehicle approximately 15,000 miles per year, the free use provision effectively eliminates the mileage (usage) offset consumers in every other state are responsible for.

SB 423 proposes amendments to the existing law that are unreasonable and uncommon. The proposed amendments would make Kansas a significant outlier across the United States. For these reasons GM asks that the committee not approve the bill absent necessary revisions.