



March 1, 2022

Hon. Jeff Mike Petersen  
Chair, Senate Committee on Transportation  
300 SW 10th Ave  
Topeka, KS 66612

RE: Senate Bill 423 – Oppose Kansas Lemon Law Changes

Chair Petersen,

On behalf of the Alliance for Automotive Innovation (Auto Innovators), I thank you for the opportunity to express our concerns and opposition to SB 423. If passed, this legislation would be seen as a far departure from traditional lemon law practice in the United States.

SB 423 would define two concepts in the Kansas Lemon Law, but it does so in an unusual way that is not consistent with most state lemon laws.

The first concept that SB 423 seeks to address is defining the concept of “collateral charges.” When a manufacturer buys back a vehicle under the lemon law, the current law requires the manufacturer to refund “the full purchase or lease price including all collateral charges.”<sup>1</sup> SB 423 defines collateral charges to include cost of gasoline used in a diagnostic test drive. Auto Innovators is not aware of another state that has adopted that degree of specificity. Such test drives are short and do not use a noticeable amount of fuel. The inclusion of that requirement in the bill creates unnecessary administrative costs and an unnecessary opportunity for abuse.

SB 423 also seeks to define “collateral charges” to include the cost of a rental vehicle if the cost is included in the warranty or approved by the manufacturer or dealer. But in such a situation, it is difficult to see how a consumer could have incurred any rental costs, because the manufacturer or dealer would have arranged the rental. Thus, there is no need to include that in the buyback calculation.

The second concept that SB 423 seeks to address is a new definition of “reasonable allowance for the consumer’s use” which is the amount that the manufacturer may deduct from the refund amount to reflect the usage. SB 423 proposes a formula that is substantially different than other states’ formulas. It says that only miles beyond 15,000 miles may be considered in the offset for usage of the vehicle. Auto Innovators is not aware of another state that has such a concept. The lemon law applies when the customer reports the problem within the first 12 months of ownership. So, 15,000 miles of free use would essentially gut the concept of an offset for use which is in the existing law.

Auto Innovators appreciate the opportunity to express our concerns and opposition to SB 423 and respectfully ask that you vote against its passage. As a major contributor to the Kansas economic

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<sup>1</sup> K.S.A. § 50-645(c).

engine, the Alliance for Automotive Innovation's members hope to continue to serve as a resource for the committee and sponsor. Thank for your consideration.

Sincerely,



Leighton Yates  
Director, State Affairs

