



HERA

housing and
economic
rights advocates



August 15, 2024

To: Honorable Members, California State Senate and Assembly

STOP THE ATTACK ON CALIFORNIA'S LANDMARK AUTO LEMON LAW

On behalf of each of our organizations, we strongly urge members of the California Legislature to block passage of any end-of-session legislation that would weaken California's landmark auto lemon law, which is widely known as a model for other states.

Who Does California's Auto Lemon Law Protect?

- Typically, over two million new car, truck, and SUV buyers each year
- Millions of used car buyers and owners of older vehicles covered by the manufacturer's warranty
- More than 157,000 active duty U.S. Military Servicemembers and their families
- Many millions of small businesses and individual entrepreneurs, such as landscapers, florist shops, carpet cleaners, real estate agents, and other businesses with 5 or fewer vehicles
- Over 27 million licensed vehicle owners, bike riders, and pedestrians who share the roads

California's Auto Lemon Law Helps Create High-Paying Jobs

- Thousands of automotive technicians, including union members, have jobs in California that cannot be outsourced, performing warranty and safety recall repairs
- Thousands of other workers, including union members, have jobs designing, developing, producing, and distributing warranty repair parts

California's original Lemon Law, known as the Song-Beverly Consumer Warranty Act, was signed into law by Governor Ronald Reagan in 1970. Why is California's Auto Lemon Law facing an unprecedented, brazen new attack now?

- A few auto manufacturers produce millions of seriously defective, often unsafe, vehicles each year. For example, according to *Automotive News*¹, last year Ford paid \$1.9 billion in warranty costs and led the entire auto industry in numbers of recalled vehicles, issuing 56 recalls involving 5.7 million vehicles.
- Currently, there are over 5 million vehicles on the roads in California with hazardous unrepaired safety recall defects such as brake failure, loss of steering, catching on fire, and exploding Takata airbags that cause blindness or bleeding to death
- Some high-volume auto manufacturers fail to make the necessary investments in producing safe, reliable vehicles, while making them increasingly complex and computerized
- The U.S. has a severe shortage of skilled software engineers and automotive technicians to troubleshoot defects and computer glitches, develop fixes, and perform warranty repairs
- Auto manufacturers seek to divert investment dollars from honoring their warranties on vehicles they already sold, into developing new models – particularly autonomous vehicles, which threaten to cost millions of jobs
- More lemon law attorneys are representing lemon owners whose first language is Spanish or another non-English language

For more perspective on auto lemon litigation in California, see The California Auto Lemon Index,² which shows which auto manufacturers are sued the most / least for failing to honor their warranties, based on their market share in our state.

If you have any questions, or would like to discuss this issue, please contact Rosemary Shahan, President of Consumers for Auto Reliability and Safety (CARS), at rs@carconsumers.org / 530-759-9440.

Thank you for your consideration of our views.

1 "Ford uses AI to squash squish tube defects," *Automotive News*, May 27, 2024

2 2022 California Auto Lemon Index, by CALPIRG Education Fund, CARS Foundation, and Frontier Group, posted at: <https://www.carsfoundation.org/lemon-index-2022.htm>.

Respectfully submitted,

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