

**SENATE JUDICIARY COMMITTEE**  
**Senator Umberg, Chair**  
**2025-2026 Regular Session**

SB 26 (Umberg)  
Version: December 2, 2024  
Hearing Date: February 11, 2025  
Fiscal: Yes  
Urgency: Yes  
CK

**SUBJECT**

Civil actions: restitution for or replacement of a new motor vehicle

**DIGEST**

This bill makes changes to the recently amended California “Lemon Law” to establish a mechanism for manufacturers to opt in to this new process. The bill restricts a consumer from seeking civil penalties in such actions unless the consumer provides written notice to a prospective buyer or recipient, as provided.

**EXECUTIVE SUMMARY**

AB 1755 (Kalra & Umberg, Ch. 938, Stats. 2024) amended the procedure for seeking specified remedies pursuant to the Song-Beverly Consumer Warranty Act (the Song-Beverly Act) in connection with nonconforming motor vehicles. The Song-Beverly Act provides consumer warranty protection to buyers of consumer goods, including motor vehicles. The act requires certain implied warranties to accompany the retail sale of consumer goods, including implied warranties of merchantability, as specified.

Relevant here, portions of the Act, referred to as California’s Lemon Law, protect consumers from defective vehicles that are under warranty, when they meet certain other criteria. In response to concerns that the law was being misused, AB 1755 made changes to the underlying processes for such claims, when seeking restitution or replacement of a vehicle, as specified. Pointing to serious concerns raised by a majority of manufacturers about the workability of the new process, Governor Newsom, in a signing message, indicated an agreement between relevant stakeholders that follow up legislation would be carried to make the entirety of this new process opt-in and to require specified notice from consumers to subsequent buyers of a vehicle that is the subject of relevant litigation. This author-sponsored bill represents that agreement. The bill is supported by a number of vehicle manufacturers and the Consumer Attorneys of California. It is opposed by Consumers for Auto Reliability and Safety. This bill includes an urgency clause.

**PROPOSED CHANGES TO THE LAW**

Existing law:

- 1) Establishes the Song-Beverly Consumer Warranty Act (Song-Beverly Act), which sets forth standards for warranties that govern consumer goods and outlines remedies available to purchasers. (Civ. Code § 1790 et seq.)
- 2) Requires every sale of consumer goods that are sold at retail in this state to be accompanied by the manufacturer's and the retail seller's implied warranty that the goods are merchantable. (Civ. Code § 1792.)
- 3) Provides that, except as specified, nothing in the Song-Beverly Act affects the right of the manufacturer, distributor, or retailer to make express warranties with respect to consumer goods. However, a manufacturer, distributor, or retailer, in transacting a sale in which express warranties are given, may not limit, modify, or disclaim the implied warranties guaranteed by this chapter to the sale of consumer goods. (Civ. Code § 1793.)
- 4) Requires that, if the manufacturer or its representative in this state is unable to service or repair a new motor vehicle to conform to the applicable express warranties after a reasonable number of attempts, the manufacturer shall either promptly replace the new motor vehicle or promptly make restitution to the buyer, as provided. However, the buyer shall be free to elect restitution in lieu of replacement, and in no event shall the buyer be required by the manufacturer to accept a replacement vehicle. (Civ. Code § 1793.2(d).)
- 5) Provides that a buyer of a new motor vehicle shall also include a lessee of a new motor vehicle. (Civ. Code § 1793.2(d)(2)(D).)
- 6) Establishes the Tanner Consumer Protection Act (Tanner Act) to govern warranties for new motor vehicles. (Civ. Code § 1793.22.) Presumes, for the purpose of the Tanner Act, that a reasonable number of attempts have been made to conform a new motor vehicle to the applicable express warranties if, within 18 months from delivery to the buyer or 18,000 miles on the odometer of the vehicle, whichever occurs first, one or more of the following occurs:
  - a) The same nonconformity results in a condition that is likely to cause death or serious bodily injury if the vehicle is driven and the nonconformity has been subject to repair two or more times by the manufacturer or its agents, and the buyer or lessee has at least once directly notified the manufacturer of the need for the repair of the nonconformity.
  - b) The same nonconformity has been subject to repair four or more times by the manufacturer or its agents and the buyer has at least once directly notified the manufacturer of the need for the repair of the nonconformity.

- c) The vehicle is out of service by reason of repair of nonconformities by the manufacturer or its agents for a cumulative total of more than 30 calendar days since delivery of the vehicle to the buyer, as specified. (Civ. Code § 1793.22(b).)
- 7) Defines “nonconformity” to mean a nonconformity which substantially impairs the use, value, or safety of the new motor vehicle to the buyer or lessee. (Civ. Code § 1793.22(e)(1).)
- 8) Prohibits any automobile manufacturer, importer, distributor, dealer, or lienholder who reacquires, or who assists in reacquiring, a motor vehicle, whether by judgment, decree, arbitration award, settlement agreement, or voluntary agreement, from doing either of the following:
  - a) Requiring, as a condition of the reacquisition, that a buyer or lessee agree not to disclose the problems with the vehicle experienced by the buyer or lessee or the nonfinancial terms of the reacquisition.
  - b) Including, in any release or other agreement, for signature by the buyer or lessee, a confidentiality clause, gag clause, or similar clause prohibiting the buyer or lessee from disclosing information to anyone about the problems with the vehicle, or the nonfinancial terms of the reacquisition of the vehicle by the manufacturer, importer, distributor, dealer, or lienholder. (Civ. Code § 1793.26 (a).)
- 9) Provides that any such clause described above in such a release or other agreement related to the reacquisition of a motor vehicle is deemed to be null and void as against the public policy of this state. (Civ. Code § 1793.26(b).)
- 10) Provides that any buyer of consumer goods who is damaged by a manufacturer’s failure to comply with any obligation under the Song-Beverly Consumer Warranty Act, the Tanner Act, or under an implied or express warranty or service contract may bring an action for the recovery of damages and other legal and equitable relief. The measure of the buyer’s damages in an action under this section shall include the rights of replacement or reimbursement, as provided. (Civ. Code § 1794.)
- 11) Provides that where the buyer establishes that the failure to comply was willful, the judgment may include, in addition to the above, a civil penalty of up to two times the amount of actual damages. (Civ. Code § 1794(c).)
- 12) Provides that if a buyer prevails in such an action the buyer may recover, as part of the judgment, a sum equal to the aggregate amount of costs and expenses, including attorney’s fees based on actual time expended, determined by the court to have been reasonably incurred by the buyer in connection with the commencement and prosecution of such action. (Civ. Code § 1794(d).)

- 13) Provides that if a buyer establishes certain violations, the buyer shall recover damages and reasonable attorney's fees and costs, and may recover a civil penalty of up to two times the amount of damages, as provided. (Civ. Code § 1794(e).)
- 14) Provides, notwithstanding any other law, certain procedures and parameters for actions seeking restitution or replacement of a motor vehicle pursuant to subdivision (b) or (d) of Section 1793.2, Section 1793.22, or Section 1794 of the Civil Code, or for civil penalties pursuant to subdivision (c) of Section 1794 of the Civil Code, where the request for restitution or replacement is based on noncompliance with the applicable express warranty, including the following requirements:
  - a) such actions must be commenced within one year after the expiration of the applicable express warranty but no later than six years after the date of original delivery of the motor vehicle, subject to specified tolling;
  - b) a consumer, at least 30 days prior to the commencement of an action seeking civil penalties under subdivision (c) of Section 1794 of the Civil Code (Section 1794(c)), must provide a specified notice to the manufacturer and demand repurchase or replacement. Minor deviations in the notice does not disqualify consumers from seeking civil penalties;
  - c) the consumer must have possession of the vehicle at the time that notice is sent and to maintain possession of the motor vehicle for at least 30 days after the manufacturer's receipt of written notice seeking restitution or replacement;
  - d) the consumer must comply in good faith with reasonable requests from the manufacturer for documentation required to complete the requested restitution or replacement of the motor vehicle. (Code Civ. Proc. § 871.20 et seq.)
- 15) Prohibits a request for or action seeking civil penalties under Section 1794(c) of the Civil Code from being allowed or maintained if both of the following conditions are present:
  - a) Within 30 days after receipt of the notice, the manufacturer makes an offer of restitution or replacement of the motor vehicle for the specified amount, plus reasonable attorneys' fees and costs, if the consumer is represented by an attorney.
  - b) The motor vehicle replacement or restitution is completed within 60 days from the date of receipt of the original notice. (Code Civ. Proc. § 871.24.)
- 16) Provides that if the manufacturer does not offer restitution or replacement of the motor vehicle within 30 days of receiving the consumer's notice, the consumer shall be permitted to sell their motor vehicle and seek remedies, including civil penalties under Section 1794(c) of the Civil Code. If the manufacturer offers

restitution or replacement of the motor vehicle, the consumer shall maintain possession of the motor vehicle for the full 60 days after manufacturer's receipt of the consumer's notice. (Code Civ. Proc. § 871.24.)

- 17) Requires a consumer to act in good faith in order to comply with the above. These provisions become operative on April 1, 2025. (Code Civ. Proc. § 871.24.)

This bill:

- 1) Provides manufacturers with an opt-in mechanism for the new procedures established by AB 1755. It establishes a process for manufacturers to be governed by the new procedures for a five-year period. It also establishes a special mechanism for manufacturers to opt into the procedures with respect to vehicles sold new in 2025 and in all prior years. For manufacturers that do not opt in, none of the changes made by AB 1755 would apply.
- 2) Imposes a requirement on consumers to provide specified information, in writing, to a prospective buyer of a vehicle that is the subject of a request for restitution or replacement in order for the consumer to seek civil penalties, as provided.
- 3) Includes an urgency clause.

### COMMENTS

#### 1. California Lemon Law

##### *a. Vehicle Warranties*

The Song-Beverly Act sets forth standards for warranties that govern vehicles and other consumer goods and outlines remedies available to buyers. Retail sales of consumer goods are accompanied by the manufacturer's and the retail seller's implied warranty that the goods are merchantable. Such implied warranties can generally not be waived or otherwise modified except in limited, specified circumstances.

With respect to vehicles, if the manufacturer is unable to service or repair a new motor vehicle to conform to the applicable express warranties after a reasonable number of attempts, the manufacturer shall either promptly replace the new motor vehicle or promptly make restitution to the buyer. However, the buyer shall be free to elect restitution in lieu of replacement, and in no event shall the buyer be required by the manufacturer to accept a replacement vehicle.

In the case of replacement, the manufacturer shall replace the buyer's vehicle with a new motor vehicle substantially identical to the vehicle replaced. The replacement vehicle shall be accompanied by all express and implied warranties that normally

accompany new motor vehicles of that specific kind. In the case of restitution, the manufacturer shall make restitution in an amount equal to the actual price paid or payable by the buyer, including any charges for transportation and manufacturer-installed options, but excluding nonmanufacturer items installed by a dealer or the buyer, and including any collateral charges.

The law provides a series of remedies for buyers as a result of any violations thereof. Any buyer who is damaged by a failure to comply with any relevant obligation or under an implied or express warranty or service contract may bring an action for the recovery of damages and other legal and equitable relief. A prevailing buyer shall be allowed by the court to recover as part of the judgment a sum equal to the aggregate amount of costs and expenses, including attorney's fees based on actual time expended, determined by the court to have been reasonably incurred by the buyer in connection with the commencement and prosecution of such action.

If the buyer establishes a violation of the section requiring a manufacturer to replace or provide restitution after a reasonable number of attempts to service or repair the vehicle, the buyer shall recover damages and reasonable attorney's fees and costs, and may recover a civil penalty of up to two times the amount of damages.

*b. AB 1755 reformed California's Lemon Law*

Last year, AB 1755 reformed the process in any litigation seeking restitution or replacement of a motor vehicle pursuant to the above provisions, as specified, where the request is based on noncompliance with the applicable express warranty.

First, the new law constricts the timeline for bringing such actions. It requires such actions to be commenced within one year after the expiration of the applicable express warranty, but in no case to be brought more than six years after the date of original delivery, subject to specified tolling.

The law also imposes specified notice requirements on consumers. In an action for penalties pursuant to Section 1794(c), the consumer must provide written notice, as specified, to the manufacturer at least 30 days prior to the action, laying out basic information including a summary of the problems and repair history of the vehicle and demanding the manufacturer repurchase or replace the motor vehicle. The law explicitly provides some flexibility to consumers for complying therewith.

In order to avail themselves of these revamped procedures, manufacturers need to prominently display the appropriate email and mailing address for the above notices on their website and provide this notice information on their website, owner's manual, and warranty booklet in both English and Spanish.

The new law provides that no action can be maintained if the manufacturer makes an offer of restitution or replacement within 30 days of the notice, plus reasonable attorneys' fees and costs, as provided, and such replacement or restitution is completed within 60 days.

Consumers must have possession of the vehicle at the time of the notice and maintain it for at least 30 days thereafter. If replacement or restitution is offered in a timely manner, the consumer must maintain possession the additional 30 days. Notwithstanding the above, a consumer can bring an action against a manufacturer without first providing the above notice, but must have possession and cannot seek civil penalties, unless and until the appropriate notice is provided and the manufacturer fails to properly provide timely restitution or replacement. The above provisions become operative on April 1, 2025.

To further expedite Song-Beverly claims, the new law provides for streamlined discovery procedures where the plaintiff seeks restitution or replacement of their vehicle, as specified. First, parties are required to provide initial disclosures within 60 days after the filing of the answer or other responsive pleading, without awaiting a request, that include specified documents and information.

In addition, the parties are granted the right within 120 days of the responsive filing, to conduct truncated initial depositions, not to exceed two hours, of the plaintiff and defendant, or if not a natural person, the person most qualified to testify on the defendant's behalf, but in this latter case, the deposition shall be limited to specified topics.

Finally, the law mandates that mediation between the plaintiff and a person with the authority to settle on behalf of the manufacturer be scheduled within 90 days of the responsive pleading and be held within 150 days with a court-appointed or private mediator, as provided. All further discovery is stayed until after such mediation is concluded.

To enforce such early litigation procedures, the court is required to issue sanctions, including monetary and evidentiary sanctions, against a party that fails to comply without good cause, as provided. Unrepresented litigants are exempted. These discovery procedures apply to actions filed on or after January 1, 2025.

*c. Concerns with AB 1755 and Governor Newsom's signing message*

A number of concerns were raised in response to AB 1755 and these new procedures. Consumer groups highlighted that this is a drastic change that undermines warranties, such as those for EV batteries, that typically extend longer than 6 years, and raised concerns about situations where a consumer may try to get rid of their defective vehicle beforehand in order to move on, which would jeopardize their ability to seek the

specific remedies of Section 1794(c) of the Civil Code. Consumers for Auto Reliability and Safety (CARS) argued the bill undermined the longstanding protections of the Song-Beverly Act by absolving manufacturers of their affirmative obligations and placing the burden on consumers, who may not be sophisticated enough to be apprised of these revamped procedures:

Instead of improving protections for California car buyers, AB 1755 would drastically weaken them. For the first time in the 54 years since the Song-Beverly Consumer Warranty Act was signed into law by then-Governor Ronald Reagan in 1970, instead of expanding and improving protections for California's vehicle owners, AB 1755 would take them away.

The worst impacts would be felt by the vast majority of auto lemon owners who lack legal representation. Currently, most auto manufacturers make warranty repairs expeditiously without the consumer needing to send the manufacturer a formal written demand or having to file a lemon law suit.

A coalition of over a dozen vehicle manufacturers, including Honda, Kia, and Volvo, wrote in opposition to the bill, agreeing that reform to the Lemon Law is needed but asserting that the bill does not present the right approach:

AB 1755 incentivizes plaintiff's counsel to file and prolong lemon law cases so as to receive additional fees, delaying resolutions for affected customers while further straining the judiciary. The bill also unreasonably imposes greater sanctions on manufacturers while restricting their ability to remedy issues, making it significantly worse for both consumers and manufacturers than current law.

The manufacturer coalition further asserted the following:

- Further overburdens the courts by "frontloading" discovery, including disproportionate sanctions against manufacturers for failure to comply and by incentivizing motions.
- Creates an uneven playing field by allowing plaintiffs to sell their vehicle within 30 days of filing a lawsuit.
- Allows plaintiffs' counsel to recover fees even if a lawsuit is never filed and the manufacturer is in full compliance with the law.
- Mandates binding arbitration when an agreement on those fees cannot be reached.

In a signing statement, Governor Newsom outlined some of these concerns and highlighted an agreement by the authors to carry follow-up legislation:

[T]his bill has drawn substantive opposition from several consumer groups and the majority of automakers, who were not party to the negotiations. While AB 1755 aims to speed resolution of Lemon Law claims and reduce litigation, many automakers, including smaller electric-vehicle automakers, have expressed serious concerns that some of the specific procedures prescribed in AB 1755 are unworkable for them. In light of those concerns, the authors have agreed to introduce a bill early in the 2025-2026 legislative session that would amend the statute enacted by this bill to make its new procedures subject to election by a given automaker. Automakers that do not elect to utilize the new procedures to resolve Lemon Law claims on their vehicles would be subject to existing Lemon Law rules. I urge the Legislature to adopt that compromise proposal swiftly.

The agreed-upon amendments would also require consumers who have made Lemon Law claims under this bill to give notice to prospective buyers if they sell their vehicles prior to resolution of their Lemon Law lawsuit, in order to ensure that buyers are aware of potential defects. The sale of vehicles to buyers unaware of pending Lemon Law claims on the vehicle is a broader problem under current law that puts buyers and the general public at risk from unsafe vehicles on the road, and I encourage the Legislature to consider additional solutions to that issue.

This bill represents that agreement.

2. Making the AB 1755 procedures optional for manufacturers and placing additional requirements on consumers

As outlined in the Governor's message, this bill provides a mechanism for manufacturers to opt into the new procedures rather than requiring them for all relevant claims.

A manufacturer may elect to be governed by AB 1755's procedures for all actions with respect to all of the manufacturer's vehicles sold new during a period of five consecutive calendar years by providing written notice of that non-revocable election to the Department of Consumer Affairs (DCA) by October 31 of the preceding calendar year. Unless a manufacturer has made such an election, the law existing prior to AB 1755 would apply with respect to all of the manufacturer's vehicles sold new during that year, except as provided. DCA is required, by December 15 of each year, to publish a list of the manufacturers that have opted into these new procedures.

Manufacturers are required, at the time a motor vehicle is sold new, to notify a consumer of the applicable procedures governing the vehicle. DCA is authorized to adopt regulations and nonbinding guidelines to implement the election process.

As the entirety of the new law goes into operation on April 1, 2025, the bill provides a specific opt-in procedure to govern actions with respect to vehicles sold new this year and in all prior years. Manufacturers will have 30 days from the effective date of this bill to elect to be governed by the new procedures.

As also foreshadowed in the Governor's message, the bill restricts a consumer from seeking civil penalties in these actions unless the consumer provides written notice to the prospective buyer or recipient of the basis for the consumer's request for restitution or replacement from the manufacturer and of any pending action, as provided.

Concerns have been raised about references in the bill to vehicles "sold new." Attorneys representing consumers in Lemon Law cases argue that the proper term of art is "new motor vehicle." While the language in the bill is not intended to change the universe of vehicles covered, the author may wish to update that reference.

### 3. Stated intent of the author

According to the author:

During the 2023-2024 Legislative Session AB 1755 (Karla-Umberg) was introduced to modernize California's Lemon Law statutes in a manner that benefits consumers, expedites dispute resolution, and prevents unjustified litigation tactics that delay access to justice for all parties to a Lemon Law dispute. AB 1755 aimed to speed resolution of Lemon Law claims and reduce litigation. However, many automakers have expressed serious concerns that some procedures laid out in AB 1755 are unworkable and that many of these concerns were echoed in Governor Newsom's signing message for AB 1755. As a result of those concerns, the authors and support coalition behind AB 1755 have agreed to introduce this bill, SB 26, which allows manufacturers to opt out of the provisions of AB 1755.

### 4. Stakeholder positions

Writing in support, the Consumer Attorneys of California (CAOC) and General Motors state:

CAOC and GM support SB 26 and its aim to address concerns raised by auto manufacturers in opposition to AB 1755. SB 26 will restore the status quo prior to last year's reform to any manufacturer that chooses not to opt into the new structure. For these reasons we urge your support of SB 26.

A coalition of manufacturers, including Toyota and Tesla, also writes in support of the bill:

SB 26 will provide manufacturers with the option to opt-in to the new procedures enacted by AB 1755 (Chapter 938, Statutes 2024) within 30 days after the bill takes effect for all vehicles sold new and in prior years. If an automaker decides to opt-in to AB 1755, the decision will apply for five calendar years before an automaker may elect to opt-in again. If an automaker does not opt-in, the automaker will not be bound any of the provisions of AB 1755. Among other provisions, the bill also requires manufacturers to inform consumers at the point of sale which legal process governs their vehicle.

However, the coalition also highlights additional changes they would like to see made to the law:

The coalition recognizes the importance of protecting consumer rights but the framework governing these rights should be fair and balanced. Improving how attorneys' fees are managed, for example, would represent a more balanced approach that would help keep the focus on the consumers repurchase remedy and not prioritize litigation over reasonable resolutions.

Consumers for Auto Reliability and Safety (CARS) writes in opposition to the bill:

If we knew for certain today that all auto manufacturers would exercise the option provided by SB 26 not to opt into the harmful changes to the lemon law enacted under AB 1755, we would be more than happy to support the provisions in SB 26 pertaining to that choice. Now that AB 1755 has taken effect, some owners of lemon vehicles are already being denied warranty coverage, having their pending cases dismissed, and suffering the severe hardships inherent with owning a defective vehicle that is unsafe or unreliable, due to passage of AB 1755.

However, since General Motors, Ford, Stellantis and the RV manufacturers that sponsored and supported passage of AB 1755 can be expected to opt in, and other manufacturers may choose to opt in as well, it is painfully obvious that SB 26 fails to adequately address the serious problems caused by AB 1755, and many more lemon owners will be harmed. . . .

When AB 1755 was presented before the Senate and Assembly Judiciary Committees, the authors repeatedly promised to convene "all of the stakeholders" and to introduce "clean-up" legislation this year to address concerns raised by the opponents.

However, that never happened. Unfortunately, this bill fails to address any of the concerns raised by consumer organizations throughout California and across the nation that opposed AB 1755 because it drastically weakened protections for California lemon owners . . . .

CARS also highlights concerns with the new provision requiring written notice before a consumer can sell the defective vehicle, even when the consumer is trading the vehicle back in to the dealer:

We also have concerns about the provisions in SB 26 that require lemon owners to provide written notice about the basis for asserting their vehicles are lemons, including when they are trading in their lemons at a loss to a dealership that is the franchisee of the manufacturer of the lemon and has access to the repair history and technical service bulletins issued by the manufacturer, and also has diagnostic equipment and trained auto technicians who perform warranty repairs. It is unclear why verbal notice would not be sufficient in such instances, which tend to be the most common scenario. Most disturbingly, the bill does not require that the written notice be provided to subsequent consumers who purchase the lemon vehicles, who are the ones who need the notice the most.

These concerns are echoed by attorneys representing consumers in Lemon Law cases. Strategic Legal Practices writes:

By tying the ability to seek civil penalties to the consumer's giving of written notice prior to sale, this proposal effectively incentivizes manufacturers to delay—rather than promptly repurchase—defective vehicles. It overturns existing law aimed at preventing such delay. Under this amendment, if consumers, out of necessity, sell their vehicles before litigation ends, they risk losing their right to pursue civil penalties, thereby rewarding manufacturers for prolonging the legal process.

This result runs contrary to the manufacturer's affirmative duty under the Song-Beverly Act to replace or refund defective vehicles "promptly." (*See Niedermeier v. FCA* (2024) 15 Cal.5th 792, 821 ["[A]llowing a reduction to the statutory restitution remedy in actions pursuant to section 1794 would reward manufacturers for delaying refunds . . . ."]). Moreover, it conflicts with decisions admonishing manufacturers for forcing consumers to trade in or sell defective vehicles rather than timely repurchasing them. (*See Figueroa v. FCA US, LLC*, 84 Cal.App.5th 708, 714 (2022) ["FCA operates in open defiance of the Song-Beverly Act. It considers promptly repurchasing, repairing, labeling as a lemon, and selling the vehicle at a deep discount with a one-year warranty a losing proposition. . . . FCA could have avoided this by complying with the law."]).

They further argue that this provision places an unfair burden on consumers:

Placing the onus of providing notice on the consumer is particularly unfair given that many consumers, frustrated by ongoing mechanical issues and interruptions to their daily lives, feel forced to sell or trade in their defective vehicles. In many cases, dealers may discourage them from disclosing any pending lemon law claims because such disclosures can reduce the vehicle's trade-in value. This creates a perverse incentive for manufacturers to "wait out" the consumer, betting that the owner will eventually give up on the prolonged legal or repair process and sell the car without formally documenting the claim. By doing so, the manufacturer can then argue that the consumer failed to provide notice—notice the manufacturer itself could have easily supplied through its existing dealer-communication systems. This outcome effectively rewards manufacturers' inaction and punishes consumers twice: first, by saddling them with a defective vehicle they can no longer tolerate, and second, by depriving them of civil penalties if they sell their lemon vehicle without providing the mandated notice.

It has been highlighted that authorized dealers function as the manufacturer's designated warranty and service providers and are provided access to information about a vehicle's warranty history and relevant recalls and Lemon Law demands. Therefore, it can be argued that such dealers have constructive notice of pending Lemon Law claims when they accept a defective vehicle as a trade-in.

### **SUPPORT**

American Honda Motor Company, Inc.  
Aston Martin  
Autos Drive America  
BMW of North America, LLC  
Consumer Attorneys of California  
General Motors  
Hyundai Motor America  
Kia America, Inc.  
Lucid USA, Inc.  
Mazda North American Operations  
Mercedes-Benz  
North American Subaru, Inc.  
Rivian Automotive, Inc.  
Rolls-Royce  
Scout Motors Inc.  
Tesla Motors, Inc.  
Toyota Motor North America, Inc.

Volkswagen Group of America, Inc.  
Volvo Car USA

**OPPOSITION**

Consumers for Auto Reliability and Safety

**RELATED LEGISLATION**

Pending Legislation: None known.

Prior Legislation: AB 1755 (Kalra & Umberg, Ch. 938, Stats. 2024) *See* Executive Summary & Comment 1.

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