

MINUTES OF THE MEETING
BUSINESS AND LABOR COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

January 30, 1985

The meeting of the Business and Labor Committee was called to order by Chairman Bob Pavlovich on January 30, 1985 at 8:00 a.m. in Room 312-2 of the State Capitol.

ROLL CALL: All members were present.

HOUSE BILL 303: Hearing commenced on House Bill 303. Representative Dennis Rehberg, District #88, sponsor of the bill, stated that he was carrying this bill for Representative Jack Ramirez. House Bill 303 amends the banking laws to provide that a trust office of a subsidiary trust company may be located anywhere in the same city as the main office of the affiliated bank rather than requiring that the trust office be in the same building as the bank. Representative Rehberg suggested to the committee that House Bill 303 DO NOT PASS.

There being no proponents or opponents, Representative Rehberg was excused by the chairman and the hearing on House Bill 303 was closed.

HOUSE BILL 215: Hearing commenced on House Bill 215. Representative Joan Miles, District #45, sponsor of the bill, stated that this bill does amend the existing law to allow a licensed retailer to advertise a particular brand of beer by displays on the exterior of his premises for no more than ten days.

Proponent Frank Copps, representing the Montana Food Distributors' Association, explained that the passing of House Bill 215 would correct the problem that is arising due to the present law. Currently, a retailer is prohibited from advertising a particular brand of beer, added Mr. Copps.

Proponent George Allen, representing the Montana Retail Association, offered his support of House Bill 215.

Proponent Rich Day, representing the Department of Revenue, distributed to committee members Exhibit 1 which is attached hereto. Said amendments as shown on Exhibit 1 would strike the ten day provision. Mr. Day explained that the ten day limit would create an enforcement problem and by striking this, temporary advertisement would still be allowed.

Representative Ellerd asked Representative Miles why the ten day time limit existed. Representative Miles explained that the original intent was to prohibit businesses from having permanent advertising.

Representative Schultz questioned Mr. Day as to the definition of temporary. Mr. Day explained that not cemented in concrete and not a permanent installation, would be considered temporary.

Representative Kitselman asked Mr. Day if a city ordinance exists that prohibits this type of advertising, would it take precedence. Mr. Day explained that this bill would be secondary to any city ordinance.

Proponent Roger Tippy, representing the Montana Beer and Wine Wholesalers' Association, supplied written testimony, which is attached on his witness statement.

There being no further proponents or opponents, all were excused by the chairman and the hearing on House Bill 215 was closed.

HOUSE BILL 295: Hearing commenced on House Bill 295. Representative Dan Harrington, District #68, sponsor of the bill, stated that House Bill 295 will amend the "lemon law" which was enacted in 1983 to require written notice of a nonconformity before an automobile purchaser is eligible for a refund or replacement. The bill eliminates any liability of the dealer to a manufacturer unless the dealer failed to follow the manufacturer's instructions in carrying out the repairs.

The bill also provides other mechanisms for implementation of the law. House Bill 295 extends the warranty period to two years or 18,000 miles. Representative Harrington distributed to committee members a statement of intent, which is attached hereto as Exhibit 2.

Proponent S. Jimmy Weg, private citizen, presented testimony as shown on the witness statement which is attached hereto as Exhibit 3.

Proponent B. Markle, representing the Department of Commerce, offered his support of House Bill 295. The procedure would be very time consuming and cost approximately \$46,000.00 to implement, added Mr. Markle.

Proponent Teri England, representing Montana Public Interest Research Group, supplied written testimony from Mr. C. B. Pearson, Executive Director of MontPIRG, which is attached hereto as Exhibit 4. Ms. England, also furnished Exhibits 5, 6 and 7.

Tom Harrison, representing the Montana Automobile Association stated that he has no position on House Bill 295. Mr. Harrison distributed to committee members Exhibit 8, which would add a new section to the bill. The section would provide that the liabilities in House Bill 295 may not be assigned to any other person.

In closing, Representative Driscoll stated that with the number of "lemon" automobiles, the dollars to the department would be well spent to help alleviate this problem.

Representative Bachini asked Mr. Markle if he had the figures for the number of complaints that were filed with the department for 1984. Mr. Markle explained that the department did not accept any complaints. Approximately 20 - 30 calls were received by the department who recommended that these individuals consult an attorney.

Representative Wallin asked Representative Harrington if he thought the increase in the warranty period to two years may affect the initial cost of a vehicle. Representative Harrington explained that the one year extension is necessary.

Representative Ellerd asked Mr. Markle what protection a consumer has presently and if these rights are well protected by law. Mr. Markle explained that the consumer is protected by the warranty provisions as set out in each warranty and that the consumer is probably not well protected. There are only a few attorneys in the state who will handle these types of cases.

Representative Ellerd then asked Mr. Markle if the State has the authority to create this type of law. Mr. Markle was not sure. Representative Ellerd does not think that Montana can pass this law and enforce it. Representative Harrington explained that this type of legislation is being used in other states and used successfully.

Representative Schultz suggested to Representative Harrington that a provision be considered that would zero in on "lemons", to avoid the increase in automobile prices that would effect all consumers.

Chairman Pavlovich appointed a subcommittee to consider House Bill 295. Representative Wallin will chair the committee with Representatives Hansen, Nisbet and Thomas serving.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on House Bill 295 was closed.

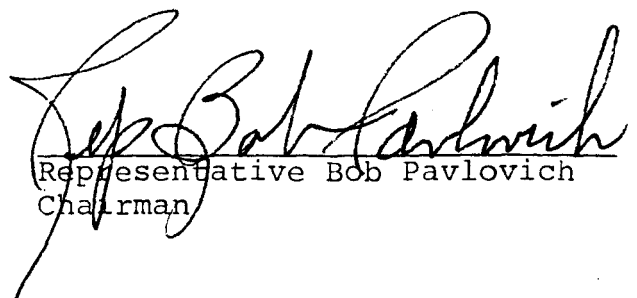
ACTION ON HOUSE BILL 184: Representative Driscoll moved that the committee reconsider its action on House Bill 184. Question being called, which resulted in all but Representatives Wallin, Schultz and Thomas voting yes. Representative Brandewie motioned that House Bill 184 be TABLED. Representative Driscoll made a substitute motion that House Bill 184 DO PASS without the amendments. Representative Thomas questioned the reasoning for reconsidering House Bill 184. Chairman Pavlovich explained that the purpose of House Bill 184 is to change from merchandise to cash

the prize allowed. The amendments would take away existing language in the present law and eliminate the keno game that is legal now. Representative Driscoll then moved that the amendments be stripped. A roll call vote resulted in 11 members voting yes and 9 members voting no. The amendments are stripped from House Bill 184. Representative Driscoll explained that the \$100.00 cash limit will not be the start of casinos in Montana. Representative Kadas asked if this would allow electronic bingo machines to pay off \$100.00, to which the answer was no. Representative Glaser made a motion for all motions pending that House Bill 184 be TABLED. A roll call vote resulted in 11 members voting yes and 9 members voting no.

ACTION ON HOUSE BILL 221: Representative Kitselman moved that House Bill 221 be TABLED. Representative Driscoll could not understand why interest cannot be paid. Representative Glaser added that this is a great idea that won't work and why should large amounts of money be spent to pay out a little amount in interest. Representative Thomas stated that House Bill 221 will extend fairness between the landlord and tenant. Representative Kadas made a substitute motion that House Bill 221 DO PASS. Representative Hart suggested that the six month provision be changed to one year, to eliminate the problem faced with transients. Representative Hansen explained that a deposit is placed into an escrow account which collects interest, the interest goes to the property owner, not the property manager or tenant. Representative Hart moved the above amendment. A unanimous vote was received. Representative Wallin Moved that "commercial tenant" be stricken from House Bill 221. The amendment did pass unanimously. Representative Kadas' motion that House Bill 221 DO PASS AS AMENDED, received 15 yes votes and 4 no votes.

ACTION ON HOUSE BILL 215: Representative Thomas motioned that House Bill 215 DO PASS. Representative Ellerd questioned the ten day time limit. Mr. Roger Tippy was present and explained that the amendment deals with outside display only. Second was received and House Bill 215 DO PASS, with Representative Ellerd voting no.

ADJOURN: There being no further business before the committee, the meeting was adjourned at 10:50 a.m.


Representative Bob Pavlovich
Chairman

DAILY ROLL CALL
BUSINESS AND LABOR COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date January 30, 1985

NAME	PRESENT	ABSENT	EXCUSED
Bob Pavlovich	✓		
Les Kitselman	✓		
Bob Bachini	✓		
Ray Brandewie	✓		
Jan Brown	.		
Jerry Driscoll	✓		
Robert Ellerd	✓		
William Glaser	✓		
Stella Jean Hansen	✓		
Marjorie Hart	✓		
Ramona Howe	✓		
Tom Jones	✓		
Mike Kadas	✓		
Vernon Keller	✓		
Lloyd McCormich	✓		
Jerry Nisbet	✓		
James Schultz	✓		
Bruce Simon	✓		
Fred Thomas	✓		
Norm Wallin	✓		

STANDING COMMITTEE REPORT

January 30

1985

MR. SPEAKER

We, your committee on BUSINESS AND LABOR

having had under consideration HOUSE Bill No. 303

FIRST reading copy (WHITE)
color

ELIMINATE NEED TRUST OFFICE LOCATE SAME BLDG AS BANK,
TRUST CO. MAIN OFFICE

Respectfully report as follows: That HOUSE Bill No. 303

DO NOT PASS

~~XXXXXX~~
DO PASS

STANDING COMMITTEE REPORT

January 30

19 83

MR. SPEAKER

BUSINESS AND LABOR

We, your committee on

having had under consideration HOUSE Bill No. 215

FIRST reading copy (WHITE color)

ALLOW TEMPORARY BEER ADS ON EXTERIOR OF RETAILERS' PREMISES

Respectfully report as follows: That HOUSE Bill No. 215

DO PASS

STANDING COMMITTEE REPORT

January 30

1925

page 1 of 2

SPEAKER

MR.

BUSINESS AND LABOR

We, your committee on

HOUSE

221

having had under consideration Bill No.

FIRST

reading copy (WHITE)
color

**MADE LAW ON RESIDENTIAL TENANTS' SECURITY DEPOSITS APPLY
TO COMMERCIAL**

HOUSE

221

Respectfully report as follows: That Bill No.

BE AMENDED AS FOLLOWS:

- 1) Title, line 4
Following: "TO"
Strike: the remainder of line 4, line 5 in its entirety, and
line 6 through "FOR"
Insert: "REQUIRE"
- 2) Title, line 6
Following: "ON"
Insert: "RESIDENTIAL TENANTS"
- 3) Title, line 7
Strike: "SECTIONS"
Insert: "SECTION"
Strike: ",70-25-102, 70-25-204, AND 70-25-206" through line 8

XXXXY
DO PASS

January 30

35

HB 221

19.....

page 2 of 2

- 4) Page 2, line 17 through Page 5, line 3
Strike: Sections 2, 3 and 4 in their entirety
Renumber: subsequent sections
- 5) Page 5, line 7
Following: "of"
Strike: "5"
Insert: "12"

AND AS AMENDED,
DO PASS

ROLL CALL VOTE

HOUSE COMMITTEE BUSINESS AND LABOR

DATE January 30, 1985 BILL NO. 184 TIME 9:25 a

NAME	AYE	NAY
Bob Pavlovich	✓	
Les Kitzelman		✓
Bob Bachini	✓	
Ray Brandewie		✓
Jan Brown		✓
Jerry Driscoll	✓	
Robert Ellerd		✓
William Glaser	✓	
Stella Jean Hansen	✓	
Marjorie Hart	✓	
Ramona Howe	✓	
Tom Jones	✓	
Mike Kadas	✓	
Vernon Keller		✓
Lloyd McCormick	✓	
Jerry Nisbet	✓	
James Schultz		✓
Bruce Simon		✓
Fred Thomas		✓
Norm Wallin		✓

Secretary Debbie Aquil

Chairman Bob Pavlovich

Motion: 11-9 strip amendment's

ROLL CALL VOTE

HOUSE COMMITTEE BUSINESS AND LABOR

DATE January 30, 1985 BILL NO. 184 TIME 9:35 am

NAME	AYE	NAY
Bob Pavlovich		✓
Les Kitzelman	✓	
Bob Bachini		✓
Ray Brandewie	✓	
Jan Brown	✓	
Jerry Driscoll	✓	✓
Robert Ellerd	✓	
William Glaser	✓	
Stella Jean Hansen		✓
Marjorie Hart		✓
Ramona Howe		✓
Tom Jones		✓
Mike Kadas		✓
Vernon Keller	✓	
Lloyd McCormick		✓
Jerry Nisbet		✓
James Schultz	✓	
Bruce Simon	✓	
Fred Thomas	✓	
Norm Wallin	✓	

Secretary Debbie Aqui

Chairman Bob Pavlovich

Motion: 11-9 tabled

ROLL CALL VOTE

HOUSE COMMITTEE BUSINESS AND LABOR

DATE January 30, 1985 BILL NO. 221 TIME 9:55 a.m.

NAME	AYE	NAY
Bob Pavlovich		✓
Les Kitzelman	✓	
Bob Bachini	✓	
Ray Brandewie	✓	
Jan Brown		
Jerry Driscoll		✓
Robert Ellerd	✓	
William Glaser	✓	
Stella Jean Hansen		✓
Marjorie Hart		✓
Ramona Howe		✓
Tom Jones	✓	
Mike Kadas		✓
Vernon Keller	✓	
Lloyd McCormick		✓
Jerry Nisbet		✓
James Schultz	✓	
Bruce Simon	✓	
Fred Thomas	✓	
Norm Wallin	✓	

Secretary Debbie Aquil

Chairman Bob Pavlovich

Motion: 11-8 pass Wallin amendments

ROLL CALL VOTE

HOUSE COMMITTEE BUSINESS AND LABOR

DATE January 30, 1985. BILL NO. 221 TIME 10:05 am

NAME	AYE	NAY
Bob Pavlovich		✓
Les Kitseiman	✓	
Bob Bachini	✓	
Ray Brandewie		✓
Jan Brown		
Jerry Driscoll	✓	
Robert Ellerd		✓
William Glaser	✓	
Stella Jean Hansen	✓	
Marjorie Hart	✓	
Ramona Howe	✓	
Tom Jones		✓
Mike Kadas	✓	
Vernon Keller	✓	
Lloyd McCormick	✓	
Jerry Nisbet	✓	
James Schultz	✓	
Bruce Simon	✓	
Fred Thomas	✓	
Norm Wallin	✓	

Secretary Debbie Aquil

Chairman Bob Pavlovich

Motion: DO PASS AS AMENDED

Exhibit 1
January 30, 1985
House Bill 215
Submitted by:
Rick Day, Department
of Revenue

The proposed legislation limits outside advertisement on display boards to "10 days." The Investigations Program contends that the 10 day limit would create an enforcement problem. The Program suggests an amendment striking "and is not displayed for more than 10 days." The language still would allow only temporary advertisement.

STATEMENT OF INTENT

House BILL 295

A statement of intent is required for this act because it delegates rulemaking authority to the department of commerce. The department may adopt rules governing certification and auditing of manufacturers' informal dispute settlement procedures and procedures for consumers to implement the arbitration procedures of the department. It is the intent of the legislature that in developing these rules, the department look to procedures utilized by the state of Connecticut in implementing its "Lemon Law II".

WITNESS STATEMENT

Exhibit 3
January 30, 1985
House Bill 295
Submitted by:
S. Jimmy Wegg

NAME S. JIMMY WEG BILL No. HB 295

ADDRESS STAR ROUTE, BOX 181, CLANCY, MT 59634 DATE JAN. 30, 1985

WHOM DO YOU REPRESENT MYSELF

SUPPORT X OPPOSE AMEND X

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

I believe that the Committee should recommend passage of House Bill 295, because the Bill will make Montana's lemon law a meaningful remedy for consumers. However, I would like to recommend certain amendments to the Bill, which I will review at the end of my testimony.

In January 1984, I purchased a Ford Motor Co. product, which was a lemon. The present lemon law was of no value to me, during the six months in which I fought with my Ford dealer and the Company.

I also went through Ford Motor Co.'s Informal Dispute Settlement procedure (in accordance with 16 CFR, part 703), however, I did not get the satisfaction I requested. In the end, I still have the vehicle I purchased, and it has been subject to repeat repairs subsequent to the time at which the Ford Consumer Appeals Board reached a decision on my dispute.

During the period between May 1984 and August 1984, my vehicle was subject to repair five times, and remained defective. The defect was an automatic transmission which leaked at several places. Additionally, the vehicle had a defective rear main engine seal, which was replaced, but, started to leak again during December 1984.

I brought up the lemon law to my dealer, who suggested that "I go ahead and sue him." The dealer also claimed that my vehicle was subject to repair only twice, as opposed to the five times on which I actually had it in for repair. I did have witnesses who could have

testified as to how many times my vehicle was repaired, but, since the dealer does not give receipts for warranty work, they can easily manipulate their records to show whatever they want.

I also made demand under the lemon law to Ford Motor Co., but they never even replied to my demands. Enforcing the lemon law in court will cost the consumer more than the amount his vehicle will have depreciated in one year. Instead of suing, one would be better off trading the defective vehicle in on a new vehicle.

I filed my appeal, pursuant to 16 CFR, part 703, on August 13, 1984. On September 24, 1984, my case was dismissed because Ford Motor Co. told the Appeals Board that I had been satisfied, a statement which was inaccurate. Upon my demand, the Board reopened my case, and rendered a decision on October 10, 1984. I was awarded a 5-year, 36,000 mile warranty. I wanted my money back. Basically, this award will allow me to continue to bring my vehicle back for repairs, continually, for the next three years; it will not cost me any money, just time and aggravation.

In addition to filing a Consumer Statement, I wrote nine letters to Ford Motor Co. and my dealer. Additionally, I made a dozen expensive phone calls, and submitted photographs to the Appeals Board.

The Bill as it now reads will provide the consumer with a greater degree of protection than now exists. I do believe that certain amendments should be made; based upon my experience these amendments are vital.

First, the dealer should be required to provide written receipts every time warranty work is performed. These receipts should specify the defect, and what work was performed. This amendment will end disputes over what work was done on a defective vehicle.

Secondly, the dealer should be jointly and severably liable under the lemon law, and not exempted. My dealer displayed no ambition to take care of my problems, and 61-4-505, MCA, actually serves as a disincentive to dealer cooperation. The consumer pays the dealer; he should not have to chase after the manufacturer for satisfaction. Being able to reach the dealer, monetarily, will do wonders in promoting consumer protection.

Finally, the "warranty period," defined at proposed 61-4-501(9), MCA, should include any period in which a vehicle is covered by the manufacturer's extended warranty. Consumers pay a lot of money for extended warrantys, and they should not be penalized by excluding nonconformities which exist during the period of time covered by an extended warranty.

Thank you for considering my opinions.



Exhibit 4
January 30, 1985
House Bill 295
Submitted by: Teri England

Montana Public Interest Research Group
729 Keith Avenue • Missoula, MT. 59801 • (406) 721-6040

TESTIMONY BEFORE THE COMMITTEE ON BUSINESS AND LABOR OF THE HOUSE
REPRESENTATIVES
JANUARY 30, 1985

Good Morning Mr. Chairman and members of the committee.
My name is C.B. Pearson and I am the executive director of the Montana Public Interest Research Group (MontPIRG), a non-profit, non-partisan research and advocacy organization directed by University of Montana students. I am here to speak in favor of HB 295, the so-called "Lemon Law II".

MontPIRG was a strong proponent of the Lemon Law that passed the 1983 Legislature.

MontPIRG operates a consumer hotline which does receive inquiries from consumers about the Lemon Law. To date we have received inquiries from about 15 lemon owners. I have brought with me several letters from consumers who would have benefited from passage of the law before you today. I would like to enter these into the record and also read excerpts that I think pertinent to this bill.

The current Lemon Law was passed when only two other states had passed such a bill, now over 17 states have such legislation. Montana's Lemon Law establishes a definition of what a Lemon automobile is. It also suggests what the manufacturer should do if the automobile is determined to be a lemon. If the manufacturer is cooperative then the consumer is simply out time, taxes and other additional new car charges. Unfortunately, this is seldom the case with the consumers we had contact with. That is why we support the current bill before you.

We favor the following provisions:

- 1- extension of warranty period;
- 2- the disclosure provision in lines 2 through 8 on page 4;
- 3- collateral charges, finance charges, and incidental fees;

Page 2 MontPIRG Testimony in Favor of HB 295

- 4- dealer not liable as described in lines 17 through 21 on page 4;
- 5- the complete section on dispute settlement beginning on page 6;
- 6- the notice for resale on lines 3 through 11 on page 9; and,
- 7- the section requiring public notice on lines 3 through 16 on page 14.

We support HB 295 and are particularly supportive of the sections we have pointed out to you. These sections would address the problems we have heard from consumers with the current Lemon Law.

I would now like to read excerpts from letters addressed to this committee from lemon owners contacted by our office.

Thank you Mr. Chairman and members of the committee for your time.

Jan. 25, 1985

Business and Labor Committee
c/o Representative Dan Harrington

To the Committee:

Please use this following testimony for enactment of House Bill 295.

In August of 1984 my wife and I purchased a 1984 Chevrolet Citation from the only Chevrolet dealer here in Billings Mt. For a five month period we had continuous problems with this motor vehicle. For the last two months of Nov. and Dec. of 1984 this vehicle was totally inoperative. Here is a list of some of the overall needed repair:

- Vehicle would not start
- Vehicle hesitation
- Vehicle engine would die out at low and highway speeds
- Transmission leaked
- Carburetor leaked - Gas in engine oil
- Brakes froze in cold weather
- Power steering did not work
- Heater did not work
- Air Conditioning stalled out engine when engaged
- Loose windshield
- Electrical surges
- Misc. Rattles
- Window wipers did not work right
- Front end out of line

The engine problems forced this vehicle to remain in our garage or in the repair shop full time for the months of Nov. & Dec. 1984, while we continued to make bank payments on the vehicle.

During this short period of time my wife and I both had full time jobs while working different shifts. We spent more time at the dealership with this vehicle than at work. The dealership refused us a loaner car. This was the only vehicle we had.

Our greatest concern was the safety of our family, we have one child. This car at numerous times died out while at intersections, interstate on-ramps, stop signs, while passing other vehicles, crosswalks, and while engaged in general. The dealership did not care at all!! They said it might be a computer control problems but they really did not know and did not offer any suggestions.

After trying all avenues at the dealership we proceeded with contacting several consumer outlets. We ended up with an attorney from Helena who specialized with the current Montana Lemon Law. The only way he suggested a win situation was to store our vehicle - pull off the registration plates and go the court route for maybe a year or so. This seemed to us as bad if not worst than having no law at all. What good is the current law? After having informed the dealership of our intent with our attorney they simply laughed in our face and said this current law was a joke and an insult to the public!

Also, behind the situation was the fact that we had bank payments on this vehicle of over \$300.00 a month plus the money inputted for registration, insurance, general maintenance, and other cash we had used on our own to rectify the vehicle's problems by a private garage! Simply wasting 4,000 dollars or so over a years time on an inoperative vehicle seemed to high a price to pay. The attorney could not ^{give} a guaranty on any financial return or even a positive outcome. Again the current law seems to protect the auto dealer and or the manufacturer! A bad vehicle is a bad vehicle and can be easily proved. They have your money and you have a proved bad vehicle they don't want anything to do with.

Teri England

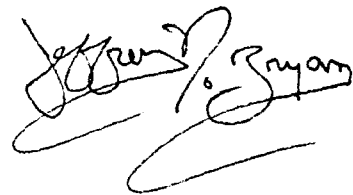
at least in early January we sold this vehicle in an ~~old~~ ^{as is} condition for 8,000 dollars having paid over 11,000 new for it. Hopefully no one will now come after us! However, we had to refinance a new loan at our bank to pay off the original vehicle loan. We now have a 150 dollar loan per month on a vehicle we do not even own.

With such large amounts of money needed to purchase a new vehicle, with most Montanians having low per capita income, long distances between places, hard winters, and high fuel costs why are we not stopping this rip-off. Let's make the dealers at least somewhat human! It apparently will take God himself to straighten out the manufacturers.

In our opinion the current Montana law is worthless at best. The lawyers make money and the dealers keep saying they can fix it if it takes two or three years. Most of us take our lick, dump the bad vehicle, and buy a used one that's in better condition than the new defective one. Have you got the time, the money, the emotional stability, and does your boss at work really understand.

Please help others that will lose their shirt in the near future! Thank you

Sincerely,



Ellen K. Bryson

2724 River Oaks
Billings, Mt. 59105
406-259-8213

January 25, 1985 Submitted by:
Teri England

To Whom It May Concern:

I am writing this letter in regards to an automobile I purchased from Arnlund Auto Plaza on February 4, 1984. I have had it in the shop numerous times for various problems and defects in the car (attached are the work-orders). I realize that any car needs service done on it, but I feel that this one has needed excessive work done on it. Many things were not normal bugs to be worked out, such as a defective gas tank, gas gage, air conditioner condenser and hydraulic clutch hose to name the major ones.

I have had the car in the shop 15-20 times in the 11 months that I have owned it, and each time it took me the extra time and inconvenience of having to take it out of my way to get it to the shop and be without a vehicle for the rest of that day. On two other occasions, it was necessary to leave the car for the whole week. I then had the added expense of borrowing or renting a loaner car. (I should add that the service dept. did only charge me for the insurance on the rented car.)

What this letter is driving at is that I am concerned that I will continue to have problems with this car after the warranty period is up, and will then be charged for the repairs. I am going on record here, with this complaint about my car, to make all parties concerned aware of the problems I have had with this car and to be sure that I will have no problem getting all repairs done to my satisfaction, should I have to take the car in for any service work on any of the previously documented problems. I was assured by the Dealership that this would be the case, and I was also informed by a representative from Mont. P.I.R.G. that I have this right under the Montana "Lemon Law" provisions.

I don't think I will have any problem with the service department taking care of any further repairs, at no charge to me, if they are things that should have been taken care of in the first place. If I do, then I will have to take legal action against the Dealership.

I am sending a copy of this letter to the House Business and Labor Committee in Helena in support of HB 295 calling for a stronger "Lemon Law" in our state in hopes of avoiding problems like this in the future.

Sincerely,

Cindy A. McIntock

CC: Rep. Dan Harrington
C.B. Pearson- Mont. P.I.R.G.
AMC Service Rep.-
Mont. Arnlund Auto Plaza

[illegible]

DATE	VEHICLE IDENTIFICATION NUMBER										YEAR	MAKE	MODEL	LICENSE NO.				
1-14-88	2	C	6	C	M	3	8	5	8	1	0	7	0	9	84	AMC	Caprice	3-124641
NAME <u>CINDY MCCLINTOCK</u>																		
ADDRESS <u>520 NILES</u>																		
CITY/STATE <u>BIGS MT</u> ZIP <u>59102</u>																		
HOME PHONE		BUSINESS PHONE		CUST.														
ORIGINAL ESTIMATE \$		259-4120																
(PARTS & LABOR)		ADD'L REPAIRS																
AUTHORIZED BY X		DATE																
TOTAL \$		TIME																
QTY	PART NO	PRICE	FC	UNITS	OPER.	COMP	CAUSE	TECH	PRICE									
	DESC																	
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ARNLUND
AUTO PLAZA
71 AMC-JEEP-MAZDA
CHRYSLER-PLYMOUTH**

Phone 652-1430

**2540 PHYLLIS LANE
BILLINGS, MONTANA 59102**

ALL PARTS REMOVED WILL BE DISCARDED UNLESS INSTRUCTED OTHERWISE

SAVE ☐ DISCARD ☐

CUSTOMER'S

161

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	DESC.				FILTER REPL	20
	P.O. NUMBER	SUBLET REPAIRS			PCV SYST CLEA	21
					PCV VALV REPL	22
	TOTAL SUBLET REPAIRS				FUEL REPL	23
	SPECIAL ORDER PARTS NO		SALE		FUEL INSP	24
	GAS, OIL & GREASE				EVAPO CONI COG	25
	QTS.					

BERT ARNLUND
AUTO PLAZA
AMC-JEEP-MAZDA
CHRYSLER-PLYMOUTH

Phone 652-1430

2540 PHYLLIS LANE

PARTS & ACCESSORIES & SERVICE SALES						
K	C	ACCT NO	SALE	K		
Labor	C					
SUBLET	C					
PARTS	C					
TIRES	C					
GAS, OIL GREASE	C					
WARRANTY DEDUCT	C					

BILLINGS, MONTANA 59102		SOURCE		CHARGE		INSPI	
		30 (0)		SALES		AIR	
		SOURCE		CASH		26	
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DATE

DATE		VEHICLE IDENTIFICATION NUMBER										MILEAGE	YEAR	MAKE	MODEL	LICENSE NO.	
7-16-88		2JC0C0N38586B711858										6193	84	Jeep	Cagle	3124684	
NAME		Cindy Mae Chiswick															
ADDRESS		350 miles Ave.															
CITY/STATE		Billings MT 59101															
HOME PHONE		254-4120															
ORIGINAL ESTIMATE \$		Bill Whelan Done															
AUTHORIZED (PARTS & LABOR)		ADD'L REPAIRS															
ADD'L REPAIRS \$		OK'D BY X															
TOTAL \$		DATE															
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ALL PARTS REMOVED WILL BE DISCARDED UNLESS INSTRUCTED OTHERWISE SAVE ☐ DISCARD ☐ CUSTOMER

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VEHICLE IDENTIFICATION NUMBER

DATE

1-27-84 2000 2835 811 AMO 811 AMO 3-12-1641

MILEAGE

DATE IN SERVICE

WRITTEN BY

ADDITIONAL R.O.

NAME

JMS

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BUSINESS PHONE

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1/28/85

Dear Montana Representatives,

I took delivery of a 1984 Jeep Cherokee from Flanagan's in Missoula on June 1, 1984. The following morning when I started the vehicle I engaged the choke, following the instructions in the owners manual. The exhaust smoked and pulsed like a misfiring cylinder and the vehicle shook badly. After a minute or two the idle would smooth out and begin to operate on fast idle. The dealer told me to let it break in. This Jeep, at idle, displayed an unusual feature from the day I traded in; when stopped at a light or stop sign, the engine idle speed would increase for a period of time and then drop back to a normal, slower smooth idle. If, while at idle, the steering wheel were turned, even slightly, the engine idle speed would increase to compensate for the load on the engine. It would decrease when the steering wheel was released. It idled like this, normally, until I experienced a complete electrical system failure. After this electrical system failure, the engine idled erratically and I experienced a constant, intermittent problem with engine misfiring. It would run on after the ignition was turned off.

I was driving out on logging roads and when I had to turn and stopped the Jeep. The next time I started it, I heard an electrical clicking noise, a popping noise, an arcing noise and a strange smell was present, and the vehicle was dead. No lights, no horn, no radio, no nothing. After getting quite frustrated that my 13 day old Jeep had just had a major electrical malfunction, I started fiddling with the battery cables. It still wouldn't start so I started walking

to a friend's house. I remembered experiencing a similar problem with another vehicle that I had owned and I knew that the immediate problem most likely was a bad ground. I fiddled with the battery cables again, heard another clicking noise and the power was restored. The biggest mistake I made was not going back to the dealer and demanding that the contract be cancelled. I knew this electrical malfunction would be very difficult to find. The Jeep has never idled like it did before the first electrical failure and the dieseling problem became apparent after it also. There was another electrical failure, on the dealer's lot, one Sunday a few months later.

I've had problems in five major areas:

1. Fuel System; with bad choke operation, dieseling and rough inconsistent idle operation.
2. Electrical System Failures,
3. Transmission; grinding noises, a bad clutch, pressure plate, release bearing and problem with the flywheel.
4. Engine oil leaks; the rear main seal and the valve cover.
5. Fit and finish defects; consisting of a defective rear door the fiberglass was cracking and on a fender the paint was peeling because it did not properly adhere to the primer at the factory.

To date this Jeep has made 10 visits for a total duration of 40 days in the repair facility in the 71 months I've owned it. Luckily, the dealer loaned me a vehicle for about half that time, which did minimize the inconvenience, but did not eliminate it. He did not have to loan me a vehicle either, but he did, and I was grateful.

On January 11, 1985 the service department finally went into the vehicle with the attitude of fixing it. It had recently begun an occasional, non-start situation in which the electrical system was not controlling the fuel system properly and the vehicle would not start easily and when it did, it would just turn on, the engine would not run, then there'd be a clicking noise in the engine and it would return to it's normal, always surotic idle. They recently kept it 12 days, drove it 105 miles and replaced a number of major components. The service technician told me he found a number of things wrong. Even after all these parts were replaced it still shows signs of diebeling, runs rough on choke, though not near as rough as when I took delivery, and the non-start situation is occasional and it still does not idle like it did before the first electrical system failure. I feel quite confident it will not ever idle like that again.

No one at the dealership could tell me anything about the procedures to follow when encountering continuing problems like these. I had to dig for any information I could. I learned of Montana Autocap and contacted them. They told me they couldn't help me because they were not sanctioned by Jeep Corporation and I'd have to contact an arbitration panel in Denver. I had no intentions ^{of dealing} ~~to deal~~ with an arbitration panel based in Denver. The lawyer I spoke to in Helena said that'd be \$300.00 and couldn't tell me what the final figure would cost. Luckily, I'm a student here in Missoula and the Student Legal Service agreed to take the case.

I completely believe that I took delivery of a defective Jeep. It's been a constant nuisance and I cannot believe it will ever be trouble free. It never has been trouble free. It has been defective the entire warranty period; a number of major components were recently replaced at Jeep's expense out of the expressed written warranty's duration. At 15,000 miles on the odometer, I'm out of warranty, my Jeep's never been right and I'm out of warranty. If I win the Lemon Law case I will still have to pay new vehicle taxes again, which bring licensing and taxes to near \$300.00 on this vehicle. If I hadn't taken delivery of a defective vehicle I wouldn't have to pay those taxes again.

The law must be strengthened, a state sanctioned arbitration panel with enforcement capabilities set up for individuals ^{and situations} where hiring a lawyer might prove an additional, real burden. Any steps which might reduce the burden on the lemon owner must be taken. A Corporation is a faceless entity. I talked to the factory service representative and he gave me the impression that he thought I was imagining these problems. Having a lemon is a very discouraging experience. You spend your money on a new, expensive investment. You expect it to be right. If it's not you have to fight to get it fixed, and fight to get it replaced, if it can't be fixed. Vehicles that fall under the regulations of the Lemon Law should be replaced as soon as the defects are proven.

Sincerely,

Daniel DeFrank

Daniel DeFrank

AMENDMENT TO HOUSE BILL 295

Add a new Section 18 on page 14 at line 17 to read as follows:

NEW SECTION. Section 18. Non-delegable. The liabilities and obligations contained in this act may not be delegated, assigned, or assumed to or by any other person or entity whatsoever.

Remaining sections to be renumbered accordingly.

WITNESS STATEMENT

NAME ROGER TIPPY BILL NO. 215
ADDRESS Box 124 DATE 1/30/85
WHOM DO YOU REPRESENT? Mont. Beer + Wine Wholesalers Assn.
SUPPORT X OPPOSE any amendments AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: Sorry I was late.

The wholesalers and the convenience stores worked out the language of this bill during the interim. The wholesalers support it just as written but would not favor the bill with the Revenue Dept.'s proposed amendment striking "10 days"

The 10-day limit provides an objective, measurable standard which fits the duration of a typical price promotion in the beer industry. To remove this language and say anything that isn't permanent is temporary will leave the industry uncertain and at the mercy of a particular liquor inspector's whim.

Please reject the amendment.

Roger Tippy

January 28, 1985

Senator Peter R. Story
District 41
Emigrant, Montana 59027

Dear Senator Story:

I am in receipt of your letter of January 25th and I am most happy to respond to this proposed legislation.

I am reminded of a rancher who came in to my showroom not long ago: gasped, stepped backward and said "Wow! what a price!" It's legislation like this, thrust on the States by the Federal Government in the name of pre-determined consumerism that has, to some extent, triggered high prices. It is a simple matter for manufacturers to continue to raise the price to all consumers in order to satisfy claims arising from so-called warranty neglect. Our punitive damage legislation in Montana indicates the legislative liberal attitude towards consumerism. After reading HB 295 I find that this same attitude prevails, which I am sure is an extension of the Federal bill. Hopefully, HB295 won't be passed without some major toning down of items which create unfair penalties on business interests.

SUGGESTIONS

PAGE 3, LINE 5

Since most manufacturers' warranty of the complete unit, not just power train, is limited to twelve months or 12,000 miles, it would seem more sensible that the legal limitations would also remain twelve months, and then perhaps 18,000 miles to allow customers with ongoing complaint to register them with the State, but only during the twelve months period. Twelve months is simply long enough for an owner to detect an **unsolved** defect.

PAGE 4, LINE 11

The word "reasonable" is used. Perhaps it would be better to define that and say "a certain time period" such as six months in which five or some appropriate number of visits have been made to the dealership in an effort to correct the same defect.

PAGE 7, LINE 21 (C)

Why impair a manufacturer from studying the problem further if he is sincerely interested in correcting the problem? We must care about

the consumer while, at the same time, giving the manufacturer a chance to correct the problem. On today's vehicles some conditions occur which are difficult to isolate. The so-called "sometimes it does" and "sometimes it doesn't" defect. Owners sometimes bring their vehicles to the dealership with problems which existed yesterday and don't exist today, and are therefore impossible to find while the vehicle is functioning properly. It's not that the manufacturer doesn't have a sincere interest in curing the problem. It's just that it takes more time to isolate the exact cause.

PAGE 8, PARA. 1

The loaner provision should be stricken from the bill. There certainly should be no legal requirement for a manufacturer to furnish an individual with a replacement vehicle while it's made available for repair. These costs are never borne by the manufacturer as there is no provision for that under the terms of the warranty. State law requires that loaners be properly licensed and insured for the rental exposure. This is a case of protecting the consumer by penalizing the dealer.

PAGE 5, LINE 14

Quote: "Nothing in this part imposes any liability on a dealer or creates a course of action by a consumer against a dealer under 61-4-503" This bill is about to create a tremendous liability and most dealers are just not set up to provide loaners.

Yours very truly,

WHITING MOTORS

A handwritten signature in dark ink, appearing to read "T. E. Whiting", with a stylized flourish at the end.

T. E. (Pete) Whiting, President

VISITORS' REGISTER

HOUSE BUSINESS AND LABOR COMMITTEE

BILL House Bill 303

Date January 30, 1985

SPONSOR Representative Ramirez

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

HOUSE BUSINESS AND LABOR

COMMITTEE

BILL House Bill 215

Date January 30, 1985

SPONSOR Representative Miles

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

HOUSE BUSINESS AND LABOR

COMMITTEE

BILL House Bill 295

Date January 30, 1985

SPONSOR Representative Harrington

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.