

STORAGE NAME: h1431s1z.jo.doc  
DATE: July 25, 2002

**\*\*AS PASSED BY THE LEGISLATURE\*\***  
**CHAPTER #: 2002-71, Laws of Florida**

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON JUDICIAL OVERSIGHT  
FINAL ANALYSIS**

**BILL #:** CS/HB 1431, 1ST ENG.  
**RELATING TO:** Motor Vehicle Warranty Enforcement  
**SPONSOR(S):** Council for Smarter Government and Representative Jordan  
**TIED BILL(S):** none

**ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:**

- (1) JUDICIAL OVERSIGHT YEAS 10 NAYS 0
  - (2) COUNCIL FOR SMARTER GOVERNMENT YEAS 12 NAYS 0
  - (3)
  - (4)
  - (5)
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I. SUMMARY:

THIS DOCUMENT IS NOT INTENDED TO BE USED FOR THE PURPOSE OF CONSTRUING STATUTES, OR TO BE CONSTRUED AS AFFECTING, DEFINING, LIMITING, CONTROLLING, SPECIFYING, CLARIFYING, OR MODIFYING ANY LEGISLATION OR STATUTE.

Current law requires motor vehicle manufacturers to inform purchasers of new vehicles where they may file claims under the "Lemon Law." It is unclear whether this requirement is imposed on manufacturers of recreational vehicles ("RV's") with respect to the RV mediation and arbitration program. This act requires the manufacturer of an RV to notify the purchaser about where the purchaser may file a claim under the RV mediation and arbitration program.

This act extends the life of the RV mediation and arbitration program from its currently scheduled expiration date of September 30, 2002, until September 30, 2006.

Additionally, current law requires the Department of Legal Affairs ("the Department") to screen claims under the RV mediation and arbitration program for eligibility. This act allows the Department to delegate this screening authority to the RV mediation and arbitration program's own administrative staff.

This act appears to have an indeterminate fiscal impact on state government. This act does not appear to have a fiscal impact on local governments.

**On April 22, 2002, CS/HB 1431, 1st ENG., was approved by the Governor and became law as Chapter 2002-71, Laws of Florida (the "act"). The effective date of the act is October 1, 2002.**

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- |                                   |                              |  |   |
|-----------------------------------|------------------------------|--|---|
| 1. <u>Less Government</u>         | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/>            |
| 2. <u>Lower Taxes</u>             | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain: This act extends the life of a government program that was scheduled for automatic repeal.

B. PRESENT SITUATION:

Chapter 681, F.S., governs motor vehicle sales warranties.

Section 681.1096, F.S., creates a mediation and arbitration program for disputes arising out of recreational vehicle ("RV") purchases. The program was initially to remain in effect until September 30, 2001, at which time RV disputes were to follow the standard new vehicle warranty arbitration procedures in the "Lemon Law," ss. 681.108-681.1095, F.S.<sup>1</sup> In 2001, the Legislature extended the RV mediation and arbitration program by one year;<sup>2</sup> the program is currently set to expire on September 30, 2002.

Manufacturers of motor vehicles are required to inform purchasers, "clearly and conspicuously in writing how and where to file a claim" under the Lemon Law,<sup>3</sup> but it is unclear whether this requirement applies to claims under the RV mediation and arbitration program.

Claims under the RV mediation and arbitration program must be screened for eligibility by the Department of Legal Affairs.<sup>4</sup>

C. EFFECT OF PROPOSED CHANGES:

This act amends s. 681.1096, F.S., to extend the life of the RV mediation and arbitration program until September 30, 2006.

This act also amends s. 681.103(3), F.S., to specifically require that RV manufacturers inform RV purchasers "clearly and conspicuously in writing" of where to file claims under the RV mediation and arbitration program.

This act also amends s. 681.1097(3), F.S., to allow the Department of Legal Affairs to delegate its current authority to screen claims under the RV mediation and arbitration program to the RV mediation and arbitration program's own administrative staff.

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<sup>1</sup> See s. 7, ch. 97-245, L.O.F.

<sup>2</sup> See s. 33, ch. 2001-196, L.O.F.

<sup>3</sup> See s. 681.103(3), F.S.

<sup>4</sup> See s. 681.1097(3), F.S.

D. SECTION-BY-SECTION ANALYSIS:

None.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

This act does not require, but does allow, the Department of Legal Affairs to delegate screening authority under the RV mediation and arbitration program to the program itself. The fiscal impact of such rulemaking is unknown.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This act does not require counties or municipalities to spend funds or to take an action requiring expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This act does not reduce the authority of counties or municipalities to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This act does not reduce the authority of counties or municipalities to raise revenues in the aggregate.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

This act authorizes the Department of Legal Affairs to issue rules delegating authority to screen claims under the RV mediation and arbitration program to the program itself.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On February 19, 2002, the Council for Smarter Government adopted one amendment to HB 1431. This strike-all amendment incorporates the bill's previous provisions, but also clarifies that manufacturers of RV's are required to inform purchasers of where to file a claim under the RV mediation and arbitration program, and allows the Department of Legal Affairs to delegate screening of claims under the program to the program itself.

HB 1431 was then reported favorably as a council substitute.

On March 19, 2002, the House of Representatives adopted one amendment to CS/HB 1431. This amendment changed a reference in the bill's title.

The House then passed CS/HB 1431, as amended, and ordered the bill engrossed.

VII. SIGNATURES:

COMMITTEE ON JUDICIAL OVERSIGHT:

Prepared by:

David L. Jaroslav, J.D.

Staff Director:

Nathan L. Bond, J.D.

AS REVISED BY THE COUNCIL FOR SMARTER GOVERNMENT:

Prepared by:

David L. Jaroslav, J.D.

Council Director:

Don Rubottom

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**FINAL ANALYSIS PREPARED BY THE COMMITTEE ON JUDICIAL OVERSIGHT:**

Prepared by:

Staff Director:

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