

HB 1970 -- CIVIL ACTIONS AGAINST MOTOR VEHICLE DEALERS

SPONSOR: Wasson

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Professional Registration and Licensing by a vote of 7 to 1.

This bill prohibits a person from initiating a civil action against any licensed motor vehicle dealer with whom he or she did not directly and personally negotiate or communicate during the retail sale or lease of a motor vehicle or other related merchandise.

FISCAL NOTE: No impact on state funds in FY 2009, FY 2010, and FY 2011.

PROPOSERS: Supporters say that due to a Missouri Supreme Court case, individuals can seek damages against parties with which they have had no direct contractual relationship. If individuals are allowed to sue automobile wholesalers and manufacturers for problems incurred with used cars which should have been disclosed by the auto dealer, it will have an adverse impact on the used car industry bringing about lower trade-in values and higher prices to cover liability costs.

Testifying for the bill were Representative Wasson; Mike Kehoe, New Car Dealers Association; Ford Motor Company; and Missouri Power Sports Dealers Association.

OPPOSERS: Those who oppose the bill say there are concerns with the language prohibiting individuals from bringing civil actions against manufacturers and wholesalers for product liability.

Testifying against the bill was Missouri Association of Trial Attorneys.