OFFICE OF THE GOVERNOR

SEP 29 2024

To the Members of the California State Assembly:

I am signing Assembly Bill 1755, which would significantly alter the procedures for handling vehicle defect claims under California's "Lemon Law." I commend the authors for their efforts to expedite resolution of Lemon Law claims and reduce litigation that is placing increasing pressure on court dockets.

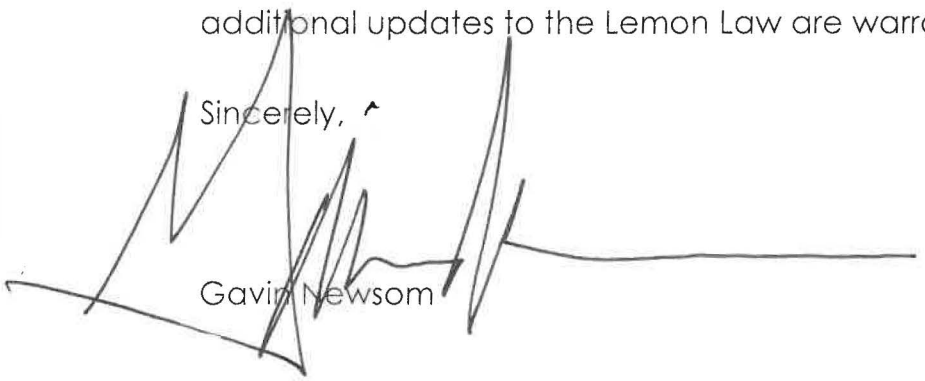
Earlier this year, I was pleased to sign AB 2288 (Kalra) and SB 92 (Umberg), consensus measures that were the product of months of negotiation to address deficiencies in Private Attorney General Act (PAGA) litigation. In contrast to that consensus, this bill has drawn substantive opposition from several 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.

I also encourage the Legislature to consider whether additional changes to the Lemon Law are needed in light of the transition to electric vehicles and significant advancements in automotive technology. The Lemon Law was enacted in 1970, before cars were equipped with a single computer (today they have as many as 100 separate computers and related electronic sensors) and decades before the first mass-produced electric vehicle. While this issue was not the focus of AB 1755, I encourage the Legislature to consider whether additional updates to the Lemon Law are warranted.

Sincerely,



Gavin Newsom