CHAPTER FOUR: CONSUMER LAW

HOW LAWS PROTECT THE CONSUMER

Federal Law
Some of the federal agencies that handle consumer complaints and regulate businesses have offices in Washington State that are listed below.

The Federal Trade Commission (FTC)
915 Second Ave., Room 2806, Seattle WA 98174, 206-220-6363
This is the government's main consumer protection agency. It acts to prevent unfair or deceptive trade practices as well as problems with bills, credit and warranties.
The website for the agency is http://www.ftc.gov.

The Consumer Product Safety Commission
PO Box 21027, Seattle WA 98111-3027; 206-553-5276
This agency makes and enforces safety standards for many consumer products.
Their website is http://www.cpsc.gov.

Food & Drug Administration (FDA)
22201 23rd Dr. SE, Bothell WA, 98021; 206-483-4949, toll free hotline 1-800-638-2772
This agency regulates the safety of food, drugs, cosmetics, and medical devices through a testing program. It can order unsafe products off the market.
The agency website is http://www.fda.gov.

Postal Inspection Service
PO Box 400, Seattle WA 98111-4000; 206-442-6300
This agency handles mail fraud in Washington State.
The website address is http://www.usps.gov/websites/depart/inspect/.

U.S. Department of Transportation (DOT)
915 2d St., Seattle, WA
The Auto Safety Hotline, a program of the National Highway Traffic Safety Administration (one division of DOT) can be reached at 1-888-327-4236 and handles complaints about car defects and child car seats.
The DOT website is http://www.dot.gov.

State Law
The Washington Legislature enacted the Consumer Protection Act (CPA), [RCW ch. 19.86] which is modeled after the Federal Trade Commission Act (FTC). The law provides: "Unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful."
The Attorney General is authorized to enforce the Act and has the following remedies available:

1) injunction (an order issued by the court to direct a party to take some action or to forbid some act)
2) civil penalties or fines
3) award of reasonable attorney's fees and costs
4) forfeiture of defendant's corporate franchise.

One or several of these remedies may be used.

Sometimes private citizens may also enforce the CPA if they can show that their property or business has been injured in their business or property by a violation of the Act, and that the public interest would be served by the private suit. A contract affecting only the two parties would not be considered to affect the "public interest." It must be shown that the practice either affected other consumers or had the potential to affect others. This can be a very difficult element to prove in a private suit under the CPA. Private citizens (sometimes called "private attorney generals") who can meet this standard may sue for an injunction, damages, or both. The law also authorizes the award of treble damages (three times the amount of actual damages) in certain instances, up to a maximum of $10,000.

Washington has enacted numerous other state laws to protect consumers, such as the Timeshare Act [RCW 64.36.010], Chain Distribution Schemes Act [RCW 19.102.020], Automobile Repair Act [RCW 46.71.070], Prearrangement Contracts Act (dealing with funeral services) [RCW 68.46.160], and the Collection Agency Act [RCW 19.16.220]. These are all civil laws, which are enforced in a civil law suit, with the remedy usually being an injunction or money damages. Some of these will be discussed later in the chapter.

Local Law
Cities also enact laws to protect consumers, for example, Seattle has a false advertising ordinance:

**Seattle Municipal Code False and Misleading Advertising [Sec. 7.08.030]**
It shall be unlawful to advertise any goods or wares or merchandise, securities, service, real estate or any other thing offered by such a person, directly or indirectly, to the public for sale or distribution by making or employing any assertion, representation or statement of fact which is untrue, deceptive, or misleading.

**HOW YOU CAN PROTECT YOUR RIGHTS AS A CONSUMER**
**Consumer Protection Agencies and Organizations**
Washington has a very active consumer division within the Attorney General's Office, called the Consumer and Business Fair Practices Division. The Consumer Protection Act gives the Attorney General's office the authority to bring
lawsuits on behalf of consumers against businesses, and to ask the court for injunctions and restitution (repayment of money lost because of the unfair practice) of money to injured consumers.

The office also publishes brochures on dozens of topics of interest to consumers, and maintains a "Consumer Line", with tapes providing information about advertising, appliances, credit, funerals, landlord tenant disputes, moving, and many other topics. The Consumer Line may be reached state-wide by calling **Toll-free 1-800-551-4636 or 464-6684** in Seattle. The website for consumer protection is [http://www.wa.gov/ago/consumer](http://www.wa.gov/ago/consumer) and complaints can also be filed on-line.

There are many private groups in Washington that publish information designed to assist consumers. The Better Business Bureau (BBB) has six offices in the state of Washington, in Tacoma, Seattle, Spokane, Yakima, Tri-Cities and Olympia. The aims of the BBB are to protect the consumer, to encourage honesty in business, and to inform the public so the consumer can buy intelligently. There is no local website.

**Seattle Better Business Bureau 24 hr line:** (206) 431-2222-- a source for business and consumer information. The hotline can be used to help assess the reliability of a company or a charitable organization, file a complaint, receive consumer advice or obtain information on scams and ripoffs. Most of the services of the BBB are free.

**Taking Your Case to Court**

**Small Claims Court**

Small Claims Courts hear civil matters involving money damages of $4500 or less. Attorneys are not allowed to represent the parties, and each party is allowed to give his or her side of the dispute. An action may be filed in Small Claims Court by filling out a complaint form designed by the court, and paying a filing fee (in King County $21). Actions must be filed in the county where the defendant resides, except in accident cases, which may be filed where the accident occurred. The wait for a case to be heard in small claims court is much shorter than cases in superior court-usually 1-3 months.

Many small claims courts have mediation programs, offering litigants the opportunity to resolve their case by mediation rather than by the judge.
DECEPTIVE SALES PRACTICES

Before studying this area of the law, first read the following scenarios, and decide whether you think the practice is fair or unfair. We will then learn which of these practices are considered legal and which are unfair or deceptive and therefore illegal.

Fair or Unfair?

Decide whether or not you think the merchant's actions are fair (F) or unfair (U). If you think you need more information, put (U) for undecided.

_______ 1. Jane joins a record club that requires that she buy five records during the year. She will receive a notice every month of the monthly record. In order not to receive and be obligated to buy that record, she must return the card within five days, stating that she does not want to buy the record offered, or it will be automatically sent and billed to her. Jane failed to send in the cards and has received 12 records which the record club claims she must pay for.

_______ 2. Ralph gets a flyer about an opportunity meeting to make a lot of money. He goes to the meeting and discovers that he must make an initial financial investment which buys him the right to recruit others into the program. When he joins, he will get money for each person he recruits to join. The new recruits must invest in the business.

_______ 3. Terry and Ann see an ad for "freight damaged dining room tables on sale for $300." They go to the store where Al explains that the damaged tables have been sold. However, they do have dining room tables for $600 in stock.

_______ 4. When Terry and Ann arrive at the store to buy this freight damaged table, Al shows them the table for $300. He also suggests that a much nicer one is available for $600.

_______ 5. Cheatham's Sales offers a free one carat emerald to anyone who comes to their one-hour presentation on condominiums. Marvin goes to the presentation and is subjected to high pressure sales tactics to buy a condominium. He resists and leaves with a low quality one carat emerald worth $2.00.

_______ 6. A New Age Encyclopedia representative comes to Tom's home and interviews him about his beliefs in education. As a result of Tom's answers, New Age agrees to place an encyclopedia in his home at no cost. Tom's only obligation is to pay for annual supplements at $50 each for the next ten years. Tom must pay for these ten supplements ($500) in advance.

_______ 7. Rodney goes to a beef outlet store after seeing an ad for beef at a low price. He orders 100 lbs. of beef and the meat dealer asks, "Do you use a lot of fat? You don't by any chance make your own soap, do you?" Rodney says
no and the dealer then encourages him to buy better quality, more expensive meat.

8. Shelly receives a postcard offering her a "thrilling, heart-shaped 14-karat gold-flash medallion containing 10,000 dazzling diamonds and one matching 14-karat gold-flash 18-inch necklace" from Henri Hamilton of J.E.N. Jewels of New York. The cost is just $3.00. She calls the 900 number on the postcard and is told all of the advertised necklaces are gone. Later, her phone bill includes a charge of $6.95 for the 900 number call.
Information about hypotheticals:
When reviewing these situations with students, keep in mind that students are asked to decide what they think is fair and unfair. While their opinion may not be in agreement what the law has determined is legal or illegal, this does not make their opinion "wrong" or "right." It may well be that the law is ill-advised also.

1. This is a "negative option" or "negative response" plan and it is legal.

2. This is an illegal pyramid.

3. This is an illegal bait and switch sales tactic. If the ad had said that there were only a limited number of damaged tables available, it would probably be okay.

4. This may be an illegal bait and switch sales tactic. The test is whether the seller had a "bona fide intent to sell" the damaged table.

5. This is probably legal, since Marvin technically got what was advertised.

6. This is an illegal phony contest.

7. This is illegal bait and switch. (This is based on a real case in Washington!)

8. This is illegal, under the Commercial Telephone Solicitation Act discussed in below. The seller is surely misrepresenting the quality and availability of the necklaces, in order to make money on the 900 number calls. This is based on a real ad sent to consumers in Washington in 1991.
Door-to-Door Sales
While many door to door salespeople are honest, unscrupulous ones often take in unwary consumers. The experience of a face to face encounter with a skilled, experienced con man or woman leaves many unable to resist the "bargain" offered. These salespeople know that many of us don't think clearly when being bombarded with too much information at once and take advantage of this fact to make a sale.

The FTC and our state legislature have enacted laws to protect consumers who make unwise purchases or agreements in the heat of the moment. The FTC rule gives consumers the right to a three-day "cooling off" period on door-to-door sales. This applies to door-to-door sales or other sales made away from the seller's place of business such as sales parties, exhibitions or "home shows." The sale must be for more than $25. (If the sale is for less than $25, a state law gives you three days to cancel if you making at least four payments or you are paying a service charge.) The sales person is also required to give you two copies of a cancellation form, a copy of your contract and a receipt.

If you decide to cancel one of these contracts, you must do so in writing, within 3 days. Sundays and holidays are not counted. It is best to send the cancellation notice by certified mail, and be sure to keep a copy of the letter. You do not have to have any reason for cancelling. The law gives you the right to just change your mind.

**Question:** Is this enough time? What if you are illiterate or English is not your native language?

Sales by phone or mail do not fall under the FTC three day cooling off rule. Washington State, however, has a law called the Telephone Solicitation Act, discussed below, that regulates sales by phone.

THE CASE OF THE CHEAP VACATION
In the middle of a dark, rainy winter, a Seattle couple, the Slothbys, received a phone call from a sunny voice telling them they had won a tropical vacation for an incredibly low price. The initial deposit was small and they were told that they must purchase immediately. Otherwise another winner would be given their opportunity. They were told to have a check or money order ready to be picked up by a messenger service. Soon after the Slothby's paid the deposit they were contacted by the out-of-state sales manager who told them they would have to pay more fees to cover "a few unexpected but necessary arrangements." The Slothby's were disappointed, but they had already put in their request for vacation time at work and made arrangements to have their pet iguana watched.

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48 Based on local travel scams as described in: Shelby Gilje, Protect Yourself Against Those Seasonal Scams, Seattle Times, January 4, 1994.
by the neighbors. As the vacation neared they had several more calls from their out-of-state friend asking for additional fees and finally a call informing them that their vacation would have to be postponed. The Slothbys ended up spending their winter vacation at Mr. Slothby's mother's home in Tacoma.

Ask students to brainstorm precautions the Slothbys should have taken. Possibilities include:\footnote{Id.}

- Don't buy unless you can use a credit card. That gives you the option of canceling the purchase and the charge if you never get the trip.
- Insist on specifics in writing, such as which airline, cruise ship and hotels will provide service; verify that information with those entities before paying.
- Get a full disclosure of costs, and cancellation and change penalties. If you haven't time to verify these details before the offer expires, don't buy it.
- Check out the businesses involved with the Better Business Bureaus and attorneys general both in and out of state. You still won't have a guarantee that you're dealing with someone who will get you on a plane or ship.
- Only spend as much money as you can afford to lose.
- Be skeptical about offers that come by phone or in the mail announcing you've won a prize, then demand fees. Be wary of offers to have a "messenger" pick up your check.

Prosecution of Travel Scammers

In July 1994, a Friday Harbor man was sentenced to 33 months in prison, three years probation, and payment of $707,000 for selling false vacation deals to clergymen and World War II vets.\footnote{Shelby Gilje, Travel Scam Prosecutions Bring Feelings of Transport, Seattle Times, July 31st, 1994.} He used a picture of himself shaking hands with the Pope to market his scheme.

Because the charges involved mail fraud and were brought under criminal statutes, the judge was able to sentence the man to jail time. Moreover, a restitution obligation is not affected by a bankruptcy declaration in a criminal suit. When the Attorney General pursues a scam under civil law those advantages are absent. However, Pat Sainsbury, chief deputy of the King County prosecutor's fraud division, said it was tough to get even whether it is a criminal prosecution or not. “People can steal more than they can pay back.”\footnote{Id.} In 21 years with the prosecutor's office, Sainsbury recalled only one or two instances in which individuals ordered to make restitution actually paid back the full amount.
WASHINGTON CONSUMER PROTECTION LAW--TRAVEL SALES (Effective January 1, 1996)

**RCW 19.138.010**
The legislature finds and declares that advertising, sales, and business practices of certain sellers of travel have worked financial hardship upon the people of this state; that the travel business has a significant impact upon the economy and well-being of this state and its people; that problems have arisen regarding certain sales of travel; and that the public welfare requires registration of sellers of travel in order to eliminate unfair advertising, sales and business practices. The legislature further finds it necessary to establish standards that will safeguard the people against financial hardship and to encourage fair dealing and prosperity in the travel business.

**RCW 19.138.040**
Requires a seller of travel, before receiving any payment, to furnish a written statement to the buyer including: the seller's name and address, amount paid, registration number of the seller, the name of the vendor with whom the seller of travel has contracted to provide travel arrangements, penalties in the event of cancellation, and a statement that all sums paid for services not performed will be returned.

WASHINGTON TELEPHONE SOLICITATION LAW
For the general welfare of the public and in order to protect the integrity of the telemarketing industry, the commercial use of telephones is regulated by Washington law. Following are some examples of state phone sales regulations:

**RCW 19.158.110--Commercial Telephone Solicitation**
(1) Within the first minute of the telephone call, a commercial telephone solicitor or salesperson shall:
   (a) Identify himself or herself, the company on whose behalf the solicitation is being made, the property, goods, or services being sold; and
   (b) Terminate the telephone call within 10 seconds if the purchaser indicates he or she does not wish to continue the conversation.

(2) If at any time during the telephone contact, the purchaser indicates he or she does not wish to be called again by the commercial telephone solicitor or wants to have his or her name and individual telephone number removed from the telephone lists used by the commercial telephone solicitor:
   (a) The commercial telephone solicitor shall not make any additional commercial telephone solicitation of the called party at that telephone number within a period of at least one year; and
   (b) The commercial telephone solicitor shall not sell or give the called party's name and telephone number to another commercial telephone solicitor...
RCW 19.158.100--Requiring Payment by Credit Card Prohibited
A telephone solicitor may not require that payment be made by credit card authorization or otherwise to announce a preference for that method of payment over any other for unfair or deceptive reasons.

RCW 80.36.400--Automatic Dialing and Announcing Device
The Washington legislature found that devices that automatically dials telephone numbers and plays a recorded message: (1) Deprives consumers of the opportunity to immediately question a seller about the veracity of their claims; (2) subjects consumers to unwarranted invasions of their privacy; and (3) encourages inefficient and potentially harmful use of the telephone network.

RCW 80.36.400 states that no person may use an automatic dialing and announcing device for purposes of commercial solicitation within the state.

WASHINGTON AUTO REPAIR LAW
A violation of the auto repair law is also a violation of the Consumer Protection Act. The consumer can recover up to three times the amount of damages (up to $10,000) in a successful court action.

Under RCW 46.71.045, the following specific actions are unfair and misleading:
- Advertising that is false, deceptive, or misleading
- Materially misstating the estimated price for a specific repair procedure (low balling)
- Retaining payment from a customer for parts not delivered or installed, or a repair procedure not performed
- Unauthorized operation of a customer's vehicle for purposes not related to repair or diagnosis
- Failing or refusing to provide a customer, upon request, a free copy of any document signed by the customer
- Retaining payment from both the customer and the warranty or extended service provider for the same covered part or labor
- Charging the customer for repairs for which there is no reasonable basis
- Failing to post required notice of rights sign
- Retaining payment from both the customer and the warranty or extended service provider for the same covered part or labor
- Charging the customer for repairs for which there is no reasonable basis
- Failing to post required notice of rights sign
- Failing to comply with estimate/invoice provisions in material respects
- Failing to retain invoice/estimates for one year

However, in a lawsuit involving unauthorized repairs the court can rule that the law was not violated if the facility proves by a preponderance of evidence that making the unauthorized repairs was reasonable, necessary and justified under the circumstances.
Automotive Repair Customer Rights

You are entitled by law to:

- A written estimate for repairs which will cost more than $100, unless waived or absent face-to-face contact;
- Return or inspection of all replaced parts, if requested at time of repair authorization;
- Authorize orally or in writing any repairs which exceed the estimated total presales tax cost by more than ten percent;
- Authorize any repairs orally or in writing if your vehicle is left with the repair facility personnel.

RCW 46.71.015

If you have authorized a repair in accordance with the above information, you are required to pay for the costs of the repair prior to taking the vehicle from the premises.

The invoice must include a description of the services performed. A list and description of all parts supplied and an indication of whether the parts were rebuilt, used, or (where collision damage is involved) after-market body parts or non-original equipment manufactured body parts. The price per part, the total amount charged for all parts, the total amount charged for all labor, and the total charge should all be included on the invoice.

Possessory Liens

In most cases, the repair facility has the right to keep a vehicle until the customer pays the bill if the customer was given an authorized estimate and the amount charged is within 110 percent of the written estimate (plus tax). However, a repair facility cannot hold your car if:

1. The repair facility did not return a part the customer requested before work began;
2. There was face-to-face contact and the repair facility did not provide a customer with a written estimate or a choice of a written estimate;
3. There was no face-to-face contact and the repair facility did not obtain authorization;
4. The charges were more than 110 percent of the written estimate and did not obtain authorization;
5. The repair facility did not post the "YOUR CUSTOMER RIGHTS" sign.

CONTRACTS

Minors and Contracts

In Washington, the contracts of minors are voidable, meaning that the minor can get out of the contract if s/he chooses to do so. The person with whom the minor contracted cannot void the contract. If the minor does not try to get out of the
contract within a reasonable time after reaching age 18, the contract becomes valid.

Minors are bound for contracts they make for necessities, such as food, clothing, medical attention, and housing. They are also bound for educational loans. Minors married to a legal adult (18 years or older) are considered adults.

If a minor misrepresents his or her age, s/he is bound by contracts s/he makes and is not entitled to get out of them. You might also discuss here minors or youth just over 18 being drafted by sports teams right out of high school, and how those contracts are handled.

Hypotheticals:
Can the minor cancel this contract? Give your reasons.

a. Dan, who is 17 years old, but looks like he is 20 years old, signs a contract for a $1,000 stereo system from Cascade Stereo. The contract requires him to put $300 down and pay $50 monthly. He puts his $300 down and after two weeks decides he wants out of the contract. Can he do this? Give your reasons.
   Dan can disaffirm (cancel) this contract. He is entitled to get all the money back that he has paid and he is obligated to return the stereo to Cascade Stereo.
   The fact that Dan looks older than 17 is not enough to change the outcome. However, if Dan had told Cascade Stereo that he was 18, then he would not be able to cancel his contract.

b. Terry, who is 16, enrolls in Rainier Vocational School. She borrows $2,000 from a bank to go to school. The bank has a written statement from the School that Terry is enrolled. Two months later, Terry wants to drop out of school and cancel her loan. Can she legally do this? Give your reasons.
   Terry may not cancel her loan. Under Washington law, any written obligation signed by a minor sixteen or more years of age in consideration of an educational loan from any person is enforceable as if the minor were an adult. This applies only if, prior to making the educational loan, the educational institution has certified in writing to the person making the educational loan that the minor is enrolled, or has been accepted for enrollment in the educational institution. R.C.W. 26.30.020.

c. Juanita, who is 15, buys a life insurance policy, so that if she dies, her parents will receive $100,000. The contract requires her to pay $20 per month. She pays this every month until she is 17. Now she decides to cancel the contract and wants all her money back. Can she do this? Give your reasons.
   Under Washington law, minors not less than 15 years of age at the nearest birthday may enter into a contract for life or disability insurance on their own life or body, for their own benefit or for the benefit of parents, spouse, child, sibling, or grandparent. The minor is not permitted to
cancel the contract because of minority. However, the minor can be excused from any unperformed agreement to pay any premium. So Juanita can stop paying the monthly premiums, but she cannot recover the money already spent. R.C.W. 48.18.020.

d. Michael, age 16, is a star baseball player at his high school. A baseball scout for a professional baseball team approached Michael and proposed that Michael sign a contract to play for the team he represents. To encourage Michael to sign, he gives Michael a new car. Michael signs the contract. Later, Michael realizes that this will deprive him of his amateur status. Michael now wishes to cancel the contract.

Under R.C.W. 67.04.110 et seq., this contract is void. In order for a contract between a minor and organized professional baseball to be valid, a special procedure must be followed. This applies to persons under the age of 18 years who have not graduated from high school. If the person becomes 18 during his senior year, he is still a minor until the end of the school year.

The prosecuting attorney of the county in which the minor's parents are living must approve the contract in writing before it is signed. The prosecutor must approve these contracts if the following facts are found:

(1) The minor has not been signed, approached or contacted, directly or indirectly, regarding a professional baseball contract except as approved by the prosecutor.

(2) The minor has been informed that approval of the contract may deprive him of his amateur status.

(3) The parent of the minor and the minor have consented.

(4) The prosecutor has concluded that the contract meets the legal requirements.

(5) The contract permits the minor to have at least five months available each year to continue his high school education.

The law also makes it a gross misdemeanor for any scout to enter into a contract with a minor or to give a gift to a minor to get the minor's promise to enter into a contract in violation of the law. This scout is guilty of a gross misdemeanor.

e. Jemi, who is 17, makes an agreement with a married couple who cannot have children to be artificially inseminated and to bear a child for the couple. The couple will pay all expenses of pregnancy, actual medical expenses and attorney's fees to draft a contract to establish that the child produced will belong to the married couple. Jemi signs such a contract, is impregnated and now changes her mind and wants out of the contract. Can she cancel the contract? Give your reasons.

Washington law (R.C.W. 26.26.220) provides that no person shall enter into such a contract with an unemancipated minor female. So the contract is invalid. Even if Jemi were emancipated or were over 18, she still may
challenge the custody of the child once it is born. The person with physical custody at the time of the dispute keeps the child until the superior court makes a legal award of custody.

f. Judy, who is 13, ran away from home and took her mother's credit card. She had no food or place to stay. She paid for a motel and some food with the credit card. Now, she wants to cancel these contracts. Can she cancel these contracts and get a refund? Give your reasons.
   No, Judy is obligated to pay for these items because they are "necessaries," defined as food, clothing, shelter and medical care. Minors are bound by their contracts for food, shelter, clothing, and medical aid.

g. Tony buys a second hand car for his 17th birthday from Al's used car lot. Tony needs the car to get to his after school job. After 3 months of use, Tony decides he wants to cancel the contract, return the car and get his money back. Can he do that? Give your reasons.
   Yes, Tony can do that. Students might have questioned whether or not a car is a necessary which would not permit cancellation. However, Washington State has decided that a car is not a necessary.

h. George at 17 buys a used car on credit, paying $50 each month for three years. When he turns 19, two years after signing the contract for the car, he decides to cancel the contract and get his money back. Can he do that? What are your reasons?
   No, George cannot do that. The law requires that in order for minors to cancel contracts entered into when they were minors, they must cancel within a reasonable time after turning 18. One full year beyond the 18th birthday is an unreasonable time. George will have ratified the contract and he may not get out of it.

i. Miriam, who is 17, set up her own business making T-shirts. She took and filled many orders for sets of T-shirts. She now wants to cancel her contracts that she has not filled because she has spent the money on other things and does not have enough money to produce the T-shirts. Can she do that? Give your reasons.
   No, Miriam cannot do that. Washington law (R.C.W. 26.28.040) prevents minors from cancelling their contracts when they have engaged in business as an adult and the other party had good reasons to believe the minor is capable of contracting.

j. Mady and Tony are both minors who have a child together. They enter into several contracts for services and things for their child. Can they cancel these contracts? Give your reasons.
   No, they may not cancel their contracts. Minor parents are bound by contracts they enter for their child.
Written and Oral Contracts
On page 286 the text lists those contracts that the law has determined should be in writing to be enforceable. Do you think that other contracts should be included in this list?

CARS AND THE CONSUMER IN WASHINGTON
Buying a Car -- New Cars
Selecting a Dealer
In addition to personal referrals, it is advisable to check with the Better Business Bureau, the Attorney General's Office, and the Dealer Division of the Department of Licensing to find out what kind of record the dealer has.

The Contract
- Read and understand each document before you sign it.
- Always get a copy of each document for your records.
- Get all verbal promises and representations in writing.
- Once you sign a contract you are bound by that contract.
- Never sign a contract with spaces left blank--mark them out or fill them in appropriately.
- By law, before you sign a contract, the dealer must separately disclose in writing the finance charge, insurance costs, taxes and other charges you are to pay under the contract. If any of these terms differ from those you negotiated, insist that they be corrected.

Changing the Terms of the Contract
After a deal is agreed upon and the contract signed, if you are contacted by the dealer saying they now need a larger down payment or higher monthly payments you are not required to accept these new terms.

By law, the dealer has 48 hours from the time of purchase/lease to find financing and finalize the sale according to the terms of the contract. When the dealer fails to locate the financing specified in the contract in that time period, there is no binding contract and the dealer must return your contract documents, down payment and trade-in vehicle before attempting to negotiate a new agreement with you.

Buying a vehicle for a special purpose
If you are looking for a vehicle for a certain purpose, such as towing a trailer, you should be aware of this state's "Implied Warranty of Fitness for a Particular Purpose" law, RCW 62A.2.315. This law provides that when a dealer knows the vehicle is going to be used for a particular purpose and the buyer is relying on the dealer's expertise to provide a suitable vehicle, a warranty is created that the vehicle will be fit for that purpose. It is important to have a dealer's word in writing.
Implied Warranty of Merchantability
Every vehicle sold in Washington by a dealer--new and used--has an "implied" warranty that the vehicle will be fit for ordinary driving purposes. The vehicle must be free of major defects, be reasonably safe, and be of the average quality of similar vehicles available for sale in that price range.

Warranty--The Lemon Law
If your new or used car is covered by a manufacturer's warranty and you have a problem which falls under the warranty, the authorized service department in the dealership is obligated to perform repairs required by the warranty. A dealer may not refuse warranty service in order to avoid liability under Washington's "Lemon Law." If your vehicle is less than two-and-a-half years old and has been repaired under the manufacturer's warranty several times but still has a substantial problem or has been out of service for more than 30 days due to diagnosis and/or repair, the vehicle may be a "lemon." You may be eligible for arbitration under the state-administered program which was created to decide warranty disputes between consumers and manufacturers. If the vehicle is determined to meet the elements of the Lemon Law, the manufacturer can be required to replace or repurchase the defective vehicle.

If you buy from an out-of-state dealer, your car will not qualify for Washington's New Motor Vehicle Lemon Law and may not be covered by the other states' Lemon Laws.

For more information on the Lemon Law call 1-800-541-8898 or contact the Consumer Protection Division of the Washington State Attorney General's Office through their website at http://www.wa.gov/ago/consumer/lemon.

Buying a Car--Used Cars

Curbstoners
Curbstoners are unlicensed dealers who often advertise in classified ads. By law, anyone who sells five or more vehicles in a 12-month period must obtain a dealers license. [RCW 46.70.021] If you respond to an ad and the seller has several cars for sale, you may be dealing with a curbstoner and you will have less protection in your dealings. Buying from a curbstoner increases your risks of not being able to get the vehicle title transferred, of getting a car which has been wrecked and rebuilt, or which has a "rolled back" odometer.

Private Sellers
In the case of legitimate private (non-dealer) sales, you should put the purchase and sale agreement in writing. It should include a description of the vehicle, the price, a statement that the seller has clear title to the vehicle and all other representations and promises.
USED CAR DEALERSHIPS
The dealer is required upon request to either display or disclose in writing a used vehicle's asking price. [RCW 46.70.125] The dealer must also provide the name and address of the former registered owner upon request. [RCW 46.70.180(6)] By contacting the former owner you may be able to find out more about the vehicle's history.

You can check to see if the make and year of car has been recalled by calling: National Highway Traffic Safety Administration 1-800-424-9393 (or at their website, http://www.nhtsa.dot.gov). There are also consumer resources available at your local public library.

It is a violation of dealer licensing regulations for a dealer to sell an unsafe car for operation on the public highways. [RCW 46.70.101 (1)(b)(viii)] The car must have working headlights, taillights, brake lights, turn signals, brakes, wipers, an uncracked windshield and tires with a minimum tread of 2/32 of an inch. Prior to purchasing a vehicle, a purchaser should have a mechanic inspect it for defects.

Implied Warranty of Merchantability
Every used car sold by a dealer (someone who is in the business of selling cars) in Washington comes with the implied warranty of merchantability. This means that the dealer promises that the car will be fit for ordinary driving purposes, reasonably safe, without major defects, and of the average quality of similar cars that are generally available for sale in the same price range. The implied warranty of merchantability is a very valuable promise when buying a used car, one that should not be given up, if you can avoid it.

To avoid giving the implied warranty of merchantability, and sell the car "as is," a dealer must get the buyer to give up, or "waive" the implied warranty of merchantability. In Washington this is harder than in most states if the car is for personal use - what the courts call a consumer sale. The Washington Supreme Court has ruled that the right to an implied warranty of merchantability can only be waived after the consumer and dealer have explicitly negotiated and agreed that the car does not have the implied warranty of merchantability, and the dealer has given the buyer a statement of the particular parts of the car that are not being warranted.

Unfortunately, some used car dealers operating in Washington State are getting around this requirement by having buyers sign forms such as a "Disclaimer of Warranty Agreement" and an "Implied Warranty Negotiation Statement," without actually negotiating the waiver.

One way to be sure to get the implied warranty of merchantability is to buy a limited written warranty or extended service contract. (See discussion of these contracts above, under Warranties.) The law states that the implied warranty of merchantability cannot be waived when another warranty is given. With this in mind, it may well be worth the money to spend a little extra for a written warranty.
in order to get the implied warranty of merchantability.

**Emission Inspection Law**
The Washington Clean Air Act of 1991 requires emissions system testing in some areas of the state, including Seattle. Buyers of used vehicles manufactured since 1968 must show that the vehicle has passed an emission inspection within the preceding six months in order to register the vehicle. Before buying, make sure the vehicle will pass an emissions inspection.

For more information about the Vehicle Emission Inspection Program, contact the Washington State Department of Ecology at **1-800-453-4951** or at [http://www.wa.gov/ecology](http://www.wa.gov/ecology).