

Proponent testimony on SB 423
John Ragan

Chairman Petersen, Vice Chair Claeys, Ranking Minority Member Hawk, and honorable committee members. My name is John Ragan, a lifetime Kansas resident. My wife (Jennefer) and I recently had the misfortune of dealing with a lemon vehicle sold to us by General Motors (GM). After nearly ten months of trips to our local GM dealership for the same issue (electrical), we were relieved when GM finally agreed to buy back our vehicle. However, the "reasonable allowance" included in the statute for using the car when it wasn't in the shop left us stunned!

We drove the car approximately a thousand miles over two months before a series of electrical problems began occurring. We then drove it another three thousand miles over the next nine months between trips to the shop. The majority of these miles were driven by me to get the electrical issues to reoccur so they could be documented to meet the lemon law requirements (Kansas Statute 50-645). The electric issues would arise between 2-250 miles between trips to the shop to have the error codes reset.

The current statute points to a "reasonable allowance" determined by the American Automobile Association (AAA). The problem with this "cost per mile" calculation are mainly two fold.

- 1) it includes items GM never paid for such as fuel, insurance, and maintenance
- 2) the depreciation charge (the biggest component) is based on a 70,000 mile "useful life" of a vehicle

The allowance for our car totaled \$0.7224/mile, or \$3,129.57. We are proposing eliminating the use of the AAA's calculation and instead implementing a more straightforward calculation based on a 120,000 mile useful life and including the reimbursement of other purchase related expenses such as insurance and property/sales tax. This is similar to statutes in other states, such as Oklahoma. We also propose limiting the "in use" miles to those driven by the buyer until the unrepairable issue(s) is first identified/manifested.

We need the Legislature's help so other families do not get "legally" ripped off by use of the current "allowance" calculation.

Thank you for your help in this matter. I hope that you will pass out SB 423 favorable for passage.

Sincerely,

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