



# HOUSE BILL 393: Appliance Lemon Law.

2023-2024 General Assembly

<b>Committee:</b>	House Commerce. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	April 3, 2023
<b>Introduced by:</b>	Reps. Kidwell, Moss, Ward, Hardister	<b>Prepared by:</b>	Bill Patterson
<b>Analysis of:</b>	PCS to First Edition H393-CSTG-8		Committee Co-Counsel

**OVERVIEW:** *The Proposed Committee Substitute for House Bill 393 would provide that if a home appliance is sold under a warranty that the manufacturer will repair or replace the appliance if defective, and if the purchaser notifies the manufacturer within the warranty period of a defect making the appliance unfit for the ordinary purposes for which the appliance is used, then the manufacturer must, within 45 days of receiving such notification, either: 1) repair the appliance; 2) replace the appliance with one that is substantially identical under the same warranty; 3) refund the purchase price; or 4) provide a detailed written explanation of why the defect is not covered by the warranty.*

**CURRENT LAW:** Companies offering service agreements for motor vehicles and home appliances are regulated under Article 43 ("Service Agreements") of Chapter 66 ("Commerce and Business") of the General Statutes. As used in Article 43, "home appliance" is defined in G.S. 66-371(b)(1) to mean "a clothes washing machine or dryer; kitchen appliance; vacuum cleaner; sewing machine; home audio or video electronic equipment; home electronic data processing equipment; home exercise and fitness equipment; home health care equipment; power tools; heater or air conditioner, other than a permanently installed unit using internal ductwork; or other personal consumer goods."

Warranties provided in the sale of goods are governed by Article 2 (Sales) of Chapter 25 (Uniform Commercial Code) of the General Statutes. Unless expressly modified or excluded, a warranty that goods sold are merchantable is implied in a sales contract if the seller is merchant with respect to goods of that kind. To be merchantable, goods must, among other things, be fit for the ordinary purposes for which such goods are used.

**BILL ANALYSIS:** The PCS for House Bill 393 would change the title of Article 43 of Chapter 66 of the General Statutes to "Service Agreements and Warranties" and would provide that if a home appliance as defined in G.S. 371(b)(1) is sold under an express warranty that the manufacturer will repair or replace the appliance if defective, and if a purchaser notifies the manufacturer of a defect rendering the appliance unfit for the ordinary purposes for which such appliances are used, then the manufacturer must, within 45 days of receiving the notification, do one of the following things:

- Complete all repairs required to cure the defect and return the repaired appliance to the purchaser.
- Replace the appliance with a substantially identical one under the same warranty.
- Refund the purchase price.
- Provide a detailed written explanation of the reasons why the defect is not covered by the warranty.

**EFFECTIVE DATE:** This act is effective when it becomes law, and applies to sales of home appliances occurring on or after that date.

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