

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE BILL

No. 767 Session of  
2001

INTRODUCED BY J. EVANS, BOYES, PIPPY, FORCIER, PETRARCA,  
SOLOBAY, FAIRCHILD, ROEBUCK, BARRAR, BELARDI, CALTAGIRONE,  
COLEMAN, FLICK, FREEMAN, HENNESSEY, HORSEY, JADLOWIEC,  
KENNEY, LAUGHLIN, MYERS, RAYMOND, READSHAW, SAYLOR,  
SCRIMENTI, STABACK, T. STEVENSON, E. Z. TAYLOR, TIGUE,  
TRAVAGLIO, WALKO, WASHINGTON, WATSON, YOUNGBLOOD, SAINATO,  
COSTA, CIVERA, DALLY, MARSICO, S. MILLER, ROSS, CORRIGAN,  
L. I. COHEN, TRELLO AND BROWNE, FEBRUARY 14, 2001

AS REPORTED FROM COMMITTEE ON CONSUMER AFFAIRS, HOUSE OF  
REPRESENTATIVES, AS AMENDED, NOVEMBER 14, 2001

## AN ACT

1 Amending the act of March 28, 1984 (P.L.150, No.28), entitled  
2 "An act relating to the rights of purchasers of defective new  
3 motor vehicles," amending the title of the act; and further  
4 providing for definitions, for repair obligations, for  
5 manufacturer's duty for refund or replacement and for resale  
6 of returned motor vehicle.

7 The General Assembly of the Commonwealth of Pennsylvania  
8 hereby enacts as follows:

9 Section 1. The title of the act of March 28, 1984 (P.L.150,  
10 No.28), known as the Automobile Lemon Law, is amended to read:

## AN ACT

11  
12 Relating to the rights of purchasers and lessees of defective  
13 new motor vehicles.

14 Section 2. Sections 2, 4, 5 and 10 of the act are amended to  
15 read:

16 Section 2. Definitions.

1 The following words and phrases when used in this act shall  
2 have the meanings given to them in this section unless the  
3 context clearly indicates otherwise:

4 "Dealer" or "motor vehicle dealer." A person in the business  
5 of buying, selling, leasing or exchanging vehicles.

6 "Department." The Department of Transportation of the  
7 Commonwealth.

8 "Lease price." Any cost incurred by the lessee as a result  
9 of the lease, including, but not limited to, the aggregate  
10 deposits, rental payments, ~~insurance costs~~ and any other fees <—  
11 paid to the lessor for the leased vehicle.

12 "Manufacturer." Any person engaged in the business of  
13 constructing or assembling new and unused motor vehicles or  
14 engaged in the business of importing new and unused motor  
15 vehicles into the United States for the purpose of selling or  
16 distributing new and unused motor vehicles to motor vehicle  
17 dealers in this Commonwealth.

18 "Manufacturer's express warranty" or "warranty." The written  
19 warranty of the manufacturer of a new automobile of its  
20 condition and fitness for use, including any terms or conditions  
21 precedent to the enforcement of obligations under the warranty.

22 "New motor vehicle." Any new and unused self-propelled,  
23 motorized conveyance driven upon public roads, streets or  
24 highways which is designed to transport not more than 15  
25 persons, which was purchased or leased and is registered in the  
26 Commonwealth or purchased or leased elsewhere ~~by a resident of~~ <—  
27 ~~this Commonwealth~~ and registered for the first time in this  
28 Commonwealth and is used, leased or bought for use primarily for  
29 personal, family or household purposes, including a vehicle used  
30 by a manufacturer or dealer as a demonstrator or dealer car

1 prior to its sale. The term does not include motorcycles, motor  
2 homes or off-road vehicles.

3 "Nonconformity." A defect or condition which substantially  
4 impairs the use, value or safety of a new motor vehicle and does  
5 not conform to the manufacturer's express warranty.

6 "Purchaser." A person, or his successors or assigns, who has  
7 obtained possession or ownership of a new motor vehicle by  
8 lease, transfer or purchase or who has entered into an agreement  
9 or contract for the lease or purchase of a new motor vehicle  
10 which is used, leased or bought for use primarily for personal,  
11 family or household purposes.

#### 12 Section 4. Repair obligations.

13 (a) Repairs required.--The manufacturer of a new motor  
14 vehicle sold or leased and registered in the Commonwealth shall  
15 repair or correct, at no cost to the purchaser, a nonconformity  
16 which substantially impairs the use, value or safety of said  
17 motor vehicle which may occur within a period of one year  
18 following the actual delivery of the vehicle to the purchaser,  
19 within the first 12,000 miles of use or during the term of the  
20 warranty, whichever may first occur.

21 (b) Delivery of vehicle.--It shall be the duty of the  
22 purchaser to deliver the nonconforming vehicle to the  
23 manufacturer's authorized service and repair facility within the  
24 Commonwealth, unless, due to reasons of size and weight or  
25 method of attachment or method of installation or nature of the  
26 nonconformity, such delivery cannot reasonably be accomplished.  
27 Should the purchaser be unable to effect return of the  
28 nonconforming vehicle, he shall notify the manufacturer or its  
29 authorized service and repair facility. Written notice of  
30 nonconformity to the manufacturer or its authorized service and

1 repair facility shall constitute return of the vehicle when the  
2 purchaser is unable to return the vehicle due to the  
3 nonconformity. Upon receipt of such notice of nonconformity, the  
4 manufacturer shall, at its option, service or repair the vehicle  
5 at the location of nonconformity or pick up the vehicle for  
6 service and repair or arrange for transporting the vehicle to  
7 its authorized service and repair facility. All costs of  
8 transporting the vehicle when the purchaser is unable to effect  
9 return, due to nonconformity, shall be at the manufacturer's  
10 expense.

11 Section 5. Manufacturer's duty for refund or replacement.

12 If the manufacturer fails to repair or correct a  
13 nonconformity after a reasonable number of attempts, the  
14 manufacturer shall, at the option of the purchaser, replace the  
15 motor vehicle with a comparable motor vehicle of equal value or  
16 accept return of the vehicle from the purchaser and refund to  
17 the purchaser the full purchase price or lease price, including  
18 all collateral charges, less a reasonable allowance for the  
19 purchaser's use of the vehicle not exceeding 10c / per mile  
20 driven or 10% of the purchase price or lease price of the  
21 vehicle, whichever is less. Refunds shall be made to the  
22 purchaser and lienholder, if any, as their interests may appear.  
23 A reasonable allowance for use shall be that amount directly  
24 attributable to use by the purchaser prior to his first report  
25 of the nonconformity to the manufacturer. In the event the  
26 consumer elects a refund, payment shall be made within 30 days  
27 of such election. A consumer shall not be entitled to a refund  
28 or replacement if the nonconformity does not substantially  
29 impair the use, value or safety of the vehicle or the  
30 nonconformity is the result of abuse, neglect or modification or

1 alteration of the motor vehicle by the purchaser.

2 Section 10. Resale of returned motor vehicle.

3 (a) Vehicles may not be resold, TRANSFERRED OR LEASED AT <—  
4 RETAIL OR WHOLESALE.--If a motor vehicle has been [returned] <—  
5 REPURCHASED under the provisions of this act or a similar <—  
6 statute of another state, it may not be resold, TRANSFERRED or <—  
7 leased in this State unless:

8 (1) The manufacturer provides the same express warranty  
9 it provided to the original purchaser, except that the term  
10 of the warranty need only last for 12,000 miles or 12 months  
11 after the date of resale, TRANSFER OR LEASE, whichever is <—  
12 earlier.

13 (2) The manufacturer provides the [consumer] PURCHASER, <—  
14 LESSEE OR TRANSFEREE with a written statement on a separate  
15 piece of paper, in ten point all capital type, in  
16 substantially the following form:

17 "IMPORTANT: THIS VEHICLE WAS [RETURNED TO] REPURCHASED BY <—  
18 THE MANUFACTURER BECAUSE IT DID NOT CONFORM TO THE  
19 MANUFACTURER'S EXPRESS WARRANTY AND THE NONCONFORMITY WAS  
20 NOT CURED WITHIN A REASONABLE TIME AS PROVIDED BY  
21 PENNSYLVANIA LAW."

22 (3) THE MOTOR VEHICLE DEALER, LESSOR OR TRANSFEROR <—  
23 CLEARLY AND CONSPICUOUSLY DISCLOSES THE MANUFACTURER'S  
24 WRITTEN NOTIFICATION PRIOR TO THE RESALE OR LEASE OF THE  
25 REPURCHASED MOTOR VEHICLE.

26 (4) THE MOTOR VEHICLE DEALER, LESSOR OR TRANSFEROR  
27 OBTAINS A SIGNED RECEIPT CERTIFYING, IN A CONSPICUOUS AND  
28 UNDERSTANDABLE MANNER, THAT THE WRITTEN STATEMENT REQUIRED  
29 UNDER THIS SUBSECTION HAS BEEN PROVIDED. ACCESS TO THE  
30 RECEIPT SHALL BE MAINTAINED FOR FOUR YEARS. THE ATTORNEY

1 GENERAL SHALL APPROVE THE FORM AND CONTENT OF THE DISCLOSURE  
2 STATEMENT SUPPLIED BY THE MANUFACTURER.

3 (5) THE MANUFACTURER, DEALER, LESSOR OR TRANSFEROR  
4 APPLIES FOR AND RECEIVES THE DESIGNATION OF A BRANDED TITLE  
5 FROM THE DEPARTMENT.

6 (6) THE DEPARTMENT SHALL UPDATE ITS RECORDS AND ISSUE A  
7 TITLE WITH A DESIGNATION INDICATING THAT THE MOTOR VEHICLE  
8 WAS RETURNED UNDER THE PROVISIONS OF THIS ACT. THE DEPARTMENT  
9 SHALL FORWARD TO SUBSEQUENT PURCHASERS, LESSEES OR  
10 TRANSFEREES A CERTIFICATE OF TITLE WHICH INDICATES THAT THE  
11 VEHICLE WAS BRANDED UNDER THE PROVISIONS OF THIS ACT. THE  
12 DEPARTMENT SHALL DETERMINE THE EXACT FORM AND CONTENT OF THE  
13 TITLE BRAND.

14 The provisions of this section apply to the resold, TRANSFERRED <—  
15 OR LEASED motor vehicle for the full term of the warranty  
16 required under this subsection. FAILURE OF THE MANUFACTURER, <—  
17 DEALER, LESSOR OR TRANSFEROR TO NOTIFY ITS IMMEDIATE PURCHASER  
18 OF THE REQUIREMENTS OF THIS SECTION SUBJECTS THE MANUFACTURER,  
19 DEALER, LESSOR OR TRANSFEROR TO PAY TO THE COMMONWEALTH A CIVIL  
20 PENALTY OF \$2,000 PER VIOLATION AND, AT THE OPTION OF THE  
21 PURCHASER, TO REPLACE THE MOTOR VEHICLE WITH A COMPARABLE MOTOR  
22 VEHICLE OF EQUAL VALUE OR ACCEPT RETURN OF THE VEHICLE FROM THE  
23 PURCHASER AND REFUND TO THE PURCHASER THE FULL PURCHASE PRICE,  
24 INCLUDING ALL COLLATERAL CHARGES, LESS A REASONABLE ALLOWANCE  
25 FOR THE PURCHASER'S USE OF THE VEHICLE NOT EXCEEDING 10¢ PER  
26 MILE DRIVEN OR 10% OF THE PURCHASE PRICE OF THE VEHICLE,  
27 WHICHEVER IS LESS.

28 ~~(a.1) Title branding. A manufacturer who accepts the return~~ <—  
29 ~~of a new motor vehicle pursuant to a consumer's claim under this~~  
30 ~~act or a similar statute of any other state shall notify the~~

1 ~~department and report the vehicle identification number of the~~  
2 ~~motor vehicle within ten days after the acceptance. The~~  
3 ~~department shall note that the motor vehicle was returned under~~  
4 ~~this act and the department shall then issue a title with a~~  
5 ~~designation which includes the written statement required under~~  
6 ~~subsection (a)(2).~~

7 (b) Returned vehicles not to be resold.--Notwithstanding the  
8 provisions of subsection (a), if a new motor vehicle has been  
9 returned under the provisions of this act or a similar statute  
10 of another state because of a nonconformity resulting in a  
11 complete failure of the braking or steering system of the motor  
12 vehicle likely to cause death or serious bodily injury if the  
13 vehicle was driven, the motor vehicle may not be resold in this  
14 Commonwealth.

15 (C) AGREEMENT WAIVING, LIMITING OR DISCLAIMING RIGHTS.--ANY <—  
16 AGREEMENT ENTERED INTO BY A PURCHASER THAT WAIVES, LIMITS OR  
17 DISCLAIMS THE RIGHTS SET FORTH IN THIS ACT IS VOID AS CONTRARY  
18 TO PUBLIC POLICY. WHERE APPLICABLE, THE RIGHTS SET FORTH IN THIS  
19 ACT SHALL EXTEND TO A SUBSEQUENT PURCHASER, LESSEE OR TRANSFEREE  
20 OF THE MOTOR VEHICLE.

21 Section 3. ~~(a) The addition of section 10(a.1) of the act~~ <—  
22 ~~shall apply to vehicles returned pursuant to a consumer's claim~~  
23 ~~on or after the effective date of this act.~~

24 ~~(b) The remainder of THE AMENDMENTS OF this act shall apply~~ <—  
25 to the purchase or lease of a new motor vehicle on or after the  
26 effective date of this AMENDATORY act. <—

27 Section 4. This act shall take effect in 60 days.