

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2627 Session of
1988

INTRODUCED BY CALTAGIRONE, SAURMAN, MURPHY, FOX, PETRONE,
NAHILL, MARKOSEK, HAGARTY, HUTCHINSON, BURNS, REBER, CORNELL
AND BUNT, JULY 12, 1988

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, JULY 12, 1988

AN ACT

1 Relating to motor vehicle manufacturer-paid repair programs;
2 requiring certain notice of such programs by manufacturers;
3 requiring disclosure by dealers; providing for reimbursements
4 in certain cases; and providing for sanctions.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Secret
9 Warranty Law.

10 Section 2. Definitions.

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

14 "Adjustment program." Any extended policy program under
15 which a manufacturer undertakes to pay for all or any part of
16 the cost of repairing, or to reimburse owners for all or any
17 part of the cost of repairing, any condition that may
18 substantially affect vehicle durability, reliability or

1 performance, other than service provided under a safety or
2 emission-related recall campaign. This term does not include ad
3 hoc adjustments made by a manufacturer on a case-by-case basis.

4 "Consumer." The purchaser, other than for purposes of
5 resale, or the lessee of a motor vehicle primarily used for
6 personal, family, business or household purposes. The term is
7 also applicable to any other person entitled by the terms of the
8 warranty to enforce its obligations.

9 "Dealer" or "motor vehicle dealer." A person selling or
10 agreeing to sell in this Commonwealth one or more motor vehicles
11 under a retail agreement with a manufacturer, manufacturer
12 branch, distributor or distributor branch, or an agent of any of
13 them. The term also includes a person in the business of buying,
14 leasing or exchanging motor vehicles.

15 "Lessee." Any consumer who leases a motor vehicle pursuant
16 to a written lease which provides that the lessee is responsible
17 for repairs to such motor vehicles.

18 "Manufacturer." Any person, whether resident or nonresident,
19 engaged in the business of constructing or assembling new and
20 unused motor vehicles or engaged in the business of importing
21 new and unused motor vehicles into the United States for the
22 purpose of selling or distributing new and unused motor vehicles
23 to motor vehicle dealers in this Commonwealth.

24 "Motor vehicle." Any new and unused self-propelled,
25 motorized conveyance which is driven upon public roads, streets
26 or highways, which is designed to transport not more than 15
27 persons, which was purchased or leased in this Commonwealth and
28 which is used or bought for use primarily for personal, family,
29 business or household purposes. The term includes 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, off-
2 road vehicles or that portion of a mobile home designated, used
3 or maintained primarily as a mobile dwelling.

4 "Service bulletin." Any document which is issued by a
5 manufacturer and which pertains to any adjustment program or to
6 any condition that may substantially affect vehicle durability,
7 reliability or performance.

8 Section 3. Required procedures of manufacturer.

9 A manufacturer shall comply with all of the following
10 provisions:

11 (1) Implement a business procedure in this Commonwealth
12 whereby a consumer:

13 (i) shall be informed of any adjustment program
14 applicable to his motor vehicle; and

15 (ii) upon request, shall be entitled to receive a
16 copy of any service bulletins or index thereof.

17 (2) Within 90 days of the adoption of such adjustment
18 program, subject to priority for safety or emission-related
19 recalls, notify by first-class mail all owners of motor
20 vehicles eligible under the program of the condition giving
21 rise to and the principal terms and conditions of the
22 program.

23 (3) Upon written request or upon oral request received
24 pursuant to the toll-free telephone procedure set forth in
25 paragraph (5), mail a copy of the service bulletins or index
26 thereof to the consumer within 21 days from the date of
27 receipt of a consumer's request sent to the address
28 designated by the manufacturer for such purpose, together
29 with payment of the specified charged, if any.

30 (4) At its option, impose a charge not to exceed the

1 reasonable cost of furnishing the service bulletins or index
2 thereof, provided that the charge is disclosed to the
3 consumer prior to furnishing them.

4 (5) Establish and maintain a toll-free telephone system.
5 The system shall provide that, after obtaining the consumer's
6 name and address and such vehicle information as is deemed
7 necessary by the manufacturer, the manufacturer's telephone
8 representative shall:

9 (i) inform the consumer of the existence of any
10 adjustment program applicable to the consumer's motor
11 vehicle; and

12 (ii) advise the consumer that, upon payment of the
13 specified fee, if any, the consumer may obtain, by mail,
14 a copy of any service bulletins or index thereof.

15 The telephone representative shall furnish the consumer with
16 the manufacturer's address to which requests for such service
17 bulletins or index thereof may be made.

18 (6) Within 30 days of the adoption of any new adjustment
19 program, notify its dealers, in writing, of all the terms and
20 conditions thereof.

21 (7) Notify its dealers in writing of the toll-free
22 telephone number required to be established pursuant to
23 paragraph (5).

24 Section 4. Required disclosures of dealer.

25 (a) Display of notice.--Every dealer shall display a notice
26 in a conspicuous place in a location accessible to consumers
27 within the dealer's service payment area, stating the following:

28 Manufacturer-Paid Repair Programs

29 After The Warranty Period

30 Sometimes (insert manufacturer's name) offers a special

1 adjustment program to pay all or part of the cost of
2 certain repairs beyond the terms of the warranty. Check
3 with your dealer or call (insert manufacturer's toll-free
4 telephone number) to determine whether any adjustment
5 program is applicable to your motor vehicle.

6 (b) Specifications.--The notice required under subsection
7 (a) shall be made of a durable material and shall be printed in
8 a conspicuous manner, with letters being at least two inches
9 high and having a stroke of at least one-half inch. The letters
10 and background shall be of contrasting colors.

11 (c) Disclosure by dealer.--A dealer shall disclose to a
12 consumer seeking repairs for a particular condition at its
13 repair shop the principal terms and conditions of any
14 manufacturer's adjustment program covering such condition,
15 provided that the dealer has received a service bulletin
16 concerning the adjustment program or otherwise has knowledge of
17 it.

18 Section 5. Reimbursement.

19 A manufacturer who establishes an adjustment program shall
20 implement and follow procedures to assure reimbursement of each
21 consumer who is eligible under a particular program and who
22 incurred expenses for repair of the condition subject to the
23 program prior to acquiring knowledge of the program. Such
24 reimbursement shall be consistent with the terms and conditions
25 of the particular program. Any claim for reimbursement under
26 this section shall be made in writing to the manufacturer within
27 two years of the date of the consumer's payment of repairs for
28 the condition. The manufacturer shall notify the consumer in
29 writing within 21 business days of receiving a claim for
30 reimbursement whether the claim will be allowed or denied. If

1 the claim is denied, the specific reasons for the denial shall
2 be stated in writing.

3 Section 6. Application of consumer protection act.

4 A violation of this act shall also be a violation of the act
5 of December 17, 1968 (P.L.1224, No.387), known as the Unfair
6 Trade Practices and Consumer Protection Law, and shall be
7 subject to the enforcement provisions, civil penalties and
8 private rights of action contained in that act.

9 Section 7. Effective date.

10 This act shall take effect in 90 days.