
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 668 Session of
1997

INTRODUCED BY DeLUCA, CIVERA, BELARDI, KIRKLAND AND THOMAS,
MARCH 3, 1997

REFERRED TO COMMITTEE ON INSURANCE, MARCH 3, 1997

AN ACT

1 Providing for licensing for motor vehicle dealers who make
2 certain warranties; imposing penalties; and conferring powers
3 and duties upon the Insurance Department.

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

6 Section 1. Short title.

7 This act shall be known and may be cited as the Automobile
8 Dealers Warranty Act.

9 Section 2. Definitions.

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

13 "Dealer." A person in the business of selling or exchanging
14 motor vehicles.

15 "Dealer's warranty." Any of the following:

16 (1) A warranty on a used motor vehicle offered for sale
17 by a dealer.

18 (2) A warranty which exceeds the manufacturer's express

warranty.

"Department." The Insurance Department of the Commonwealth.

"Manufacturer." A person engaged in the business of:

(1) constructing or assembling new and unused motor vehicles; or

(2) importing new and unused motor vehicles into the United States for the purpose of selling them to dealers in this Commonwealth.

"Manufacturer's express warranty." The written warranty of the manufacturer for a motor vehicle constructed, assembled or imported by the manufacturer as to condition and fitness for use. The term includes conditions precedent to the obligations of the warranty.

"Motor vehicle." As defined in 75 Pa.C.S. § 102 (relating to definitions).

Section 3. Prohibition.

(a) General rule.--A dealer may not make a dealer's warranty without a license from the department under section 4.

(b) Penalty.--A person who violates this section commits a summary offense and shall, upon conviction, be sentenced to pay a fine of \$1,000.

Section 4. License.

(a) Application.--A dealer may apply to the department for a license to make dealer's warranties.

(b) Qualifications.--A dealer is eligible for licensure if the dealer demonstrates to the satisfaction of the department financial responsibility to fulfill the obligations of the warranty.

Section 5. Department.

The department has the following powers and duties:

- 1 (1) To administer this act.
- 2 (2) To promulgate regulations to implement this act.
- 3 (3) To assist in criminal prosecutions under section
- 4 3(b).

5 Section 6. Applicability.

6 This act shall apply only to dealer's warranties made on or

7 after the effective date of this section.

8 Section 7. Effective date.

9 This act shall take effect as follows:

10 (1) Section 5(2) and this section shall take effect

11 immediately.

12 (2) The remainder of this act shall take effect on the

13 effective date of the regulations promulgated under section

14 5(2).