MEMO



Senate of Pennsylbania

July 18, 2011

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TO:

ALL SENATORS

FROM:

Stewart J. Greenleaf Stewart

SUBJECT:

Cosponsorship -Auto Lemon Law: Repair Service Extension

I am introducing legislation amending the Automobile Lemon Law to provide a time period extension for manufacturers to complete repairs if the delay in making repairs is due to a catastrophic event.

Under current law, if a defect cannot be repaired after three attempts or if the vehicle is out-of-service for a total of 30 calendar days for repairs, a consumer may be eligible for a replacement vehicle or a refund of the purchase price minus an allowance for use. My legislation would permit the 30 day period to be extended an additional 30 days if repair services are not available to the consumer because of war, act of terrorism, civil unrest, fire, flood, or natural disaster. The manufacturer may also seek a further extension of up to 90 days if they file a sworn affidavit with the Attorney General stating that repair services are not available because of one or more of the events listed above. However, in order for a manufacturer to take advantage of these additional time periods, they must provide a consumer with a loaner vehicle free of charge during the time the vehicle is being repaired by a franchised dealer.

The impetus behind this legislation was the devastating earthquake and tsunami that hit Japan forcing several automobile plants to close resulting in a disruption of the part supply chain. While Japanese automakers are recovering from this natural disaster and the part supply chain is being restored, I believe Pennsylvania's Automobile Lemon Law should be amended to provide for such an extension to address possible future disasters. While every state has a lemon law, Pennsylvania is one of only four states that does not provide an extension of time to complete repairs if the delay was caused by supply chain problems resulting from natural disasters.

This legislation is the result of discussions held with the Alliance of Automobile Manufacturers, the Pennsylvania Automotive Association and the Office of Attorney General. All parties are supportive of the measure which provides a reasonable extension for unusual circumstances while protecting consumers.

If you would like to cosponsor this legislation, please contact Pat Snively of my office by e-mailing her at <u>psnively@pasen.gov</u>.