

AUTOMOBILE LEMON LAW

Act of Mar. 28, 1984, P.L. 150, No. 28

Cl. 12

AN ACT

Relating to the rights of purchasers and lessees of defective new motor vehicles. (Title amended Dec. 13, 2001, P.L.868, No.94)

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

Section 1. Short title.

This act shall be known and may be cited as the Automobile Lemon Law.

Section 2. Definitions.

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

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

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

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

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

"New motor vehicle." Any new and unused self-propelled, motorized conveyance driven upon public roads, streets or highways which is designed to transport not more than 15 persons, which was purchased or leased and is registered in the Commonwealth or purchased or leased elsewhere and registered for the first time in the Commonwealth and is used, leased or bought for use primarily for personal, family or household purposes, including a vehicle used by a manufacturer or dealer as a demonstrator or dealer car prior to its sale. The term does not include motorcycles, motor homes or off-road vehicles.

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

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

(2 amended Oct. 2, 2002, P.L.809, No.117)

Compiler's Note: Section 2 of Act 117 of 2002, which amended section 2, provided that the amendment Act 117 shall apply to the purchase or lease of a new motor vehicle on or after the effective date of Act 117.

Compiler's Note: Section 3 of Act 94 of 2001, which amended section 2, provided that Act 94 shall apply to the purchase or lease of a new motor vehicle on or after the effective date of Act 94.

Section 3. Disclosure.

The Attorney General shall prepare and publish in the Pennsylvania Bulletin a statement which explains a purchaser's rights under this law. Manufacturers shall provide to each purchaser at the time of original purchase of a new motor vehicle a written statement containing a copy of the Attorney General's statement and a listing of zone offices, with addresses and phone numbers, which can be contacted by the purchaser for the purpose of securing the remedies provided for in this act.

Section 4. Repair obligations.

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

(b) Delivery of vehicle.--It shall be the duty of the purchaser to deliver the nonconforming vehicle to the manufacturer's authorized service and repair facility within the Commonwealth, unless, due to reasons of size and weight or method of attachment or method of installation or nature of the nonconformity, such delivery cannot reasonably be accomplished. Should the purchaser be unable to effect return of the nonconforming vehicle, he shall notify the manufacturer or its authorized service and repair facility. Written notice of nonconformity to the manufacturer or its authorized service and repair facility shall constitute return of the vehicle when the purchaser is unable to return the vehicle due to the nonconformity. Upon receipt of such notice of nonconformity, the manufacturer shall, at its option, service or repair the vehicle at the location of nonconformity or pick up the vehicle for service and repair or arrange for transporting the vehicle to its authorized service and repair facility. All costs of transporting the vehicle when the purchaser is unable to effect return, due to nonconformity, shall be at the manufacturer's expense.

(4 amended Dec. 13, 2001, P.L.868, No.94)

Compiler's Note: Section 3 of Act 94 of 2001, which amended section 4, provided that Act 94 shall apply to the purchase or lease of a new motor vehicle on or after the effective date of Act 94.

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

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

(5 amended Dec. 13, 2001, P.L.868, No.94)

Compiler's Note: Section 3 of Act 94 of 2001, which amended section 5, provided that Act 94 shall apply to the purchase or lease of a new motor vehicle on or after the effective date of Act 94.

Section 6. Presumption of a reasonable number of attempts.

(a) General rule.--It shall be presumed that a reasonable number of attempts have been undertaken to repair or correct a nonconformity if:

(1) the same nonconformity has been subject to repair three times by the manufacturer, its agents or authorized dealers and the nonconformity still exists; or

(2) the vehicle is out-of-service by reason of any nonconformity for a cumulative total of 30 or more calendar days.

(b) Time period extension.--

(1) The minimum number of calendar days provided for in subsection (a)(2) shall be extended by a period of not more than 30 additional calendar days if the repair cannot be completed by the manufacturer, its agent or authorized dealer by reason of war, act of terrorism, civil unrest, fire, flood or natural disaster.

(2) The minimum number of calendar days provided for in paragraph (1) may be extended for not more than 90 additional calendar days if the manufacturer files a sworn affidavit with the Office of Attorney General stating that repair could not be completed because of one or more of the reasons described in paragraph (1).

(3) Paragraphs (1) and (2) shall apply only if the manufacturer, its agent or authorized dealer lends a motor vehicle to the owner at no charge during the period of time under paragraphs (1) and (2), respectively, that the owner's vehicle is with the manufacturer, its agent or authorized dealer for repair.

(6 amended Apr. 12, 2012, P.L.245, No.33)

Section 7. Itemized statement required.

The manufacturer or dealer shall provide to the purchaser each time the purchaser's vehicle is returned from being serviced or repaired a fully itemized statement indicating all work performed on said vehicle including, but not limited to, parts and labor. It shall be the duty of a dealer to notify the

manufacturer of the existence of a nonconformity within seven days of the delivery by a purchaser of a vehicle subject to a nonconformity when it is delivered to the same dealer for the second time for repair of the same nonconformity. The notification shall be by certified mail, return receipt requested.

Section 8. Civil cause of action.

Any purchaser of a new motor vehicle who suffers any loss due to nonconformity of such vehicle as a result of the manufacturer's failure to comply with this act may bring a civil action in a court of common pleas and, in addition to other relief, shall be entitled to recover reasonable attorneys' fees and all court costs.

Section 9. Informal dispute settlement procedure.

If the manufacturer has established an informal dispute settlement procedure which complies with the provisions of 16 CFR Pt. 703, as from time to time amended, the provisions of section 8 shall not apply to any purchaser who has not first resorted to such procedure as it relates to a remedy for defects or conditions affecting the substantial use, value or safety of the vehicle. The informal dispute settlement procedure shall not be binding on the purchaser and, in lieu of such settlement, the purchaser may pursue a remedy under section 8.

Section 10. Resale of returned motor vehicle.

(a) Vehicles may not be resold, transferred or leased at retail or wholesale.--If a motor vehicle has been repurchased under the provisions of this act or a similar statute of another state, it may not be resold, transferred or leased in this State unless:

(1) The manufacturer provides the same express warranty it provided to the original purchaser, except that the term of the warranty need only last for 12,000 miles or 12 months after the date of resale, transfer or lease, whichever is earlier.

(2) The manufacturer provides the purchaser, lessee or transferee with a written statement on a separate piece of paper, in ten point all capital type, in substantially the following form:

"IMPORTANT: THIS VEHICLE WAS REPURCHASED BY THE MANUFACTURER BECAUSE IT DID NOT CONFORM TO THE MANUFACTURER'S EXPRESS WARRANTY AND THE NONCONFORMITY WAS NOT CURED WITHIN A REASONABLE TIME AS PROVIDED BY PENNSYLVANIA LAW."

(3) The motor vehicle dealer, lessor or transferor clearly and conspicuously discloses the manufacturer's written notification prior to the resale or lease of the repurchased motor vehicle.

(4) The motor vehicle dealer, lessor or transferor obtains a signed receipt certifying in a conspicuous and understandable manner that the written statement required under this subsection has been provided. Access to the receipt shall be maintained for four years. The Attorney General shall approve the form and content of the disclosure statement supplied by the manufacturer.

(5) The manufacturer, dealer, lessor or transferor applies for and receives the designation of a branded title from the department.

(6) The department shall update its records and issue a title with a designation indicating that the motor vehicle was repurchased under the provisions of this act. The department shall forward to subsequent purchasers or lienholders, in accordance with 75 Pa.C.S. §§ 1107 (relating

to delivery of certificate of title) and 1132.1 (relating to perfection of security interest in a vehicle), a certificate of title which indicates that the vehicle was branded under the provisions of this act. The department shall determine the exact form and content of the title brand.

The provisions of this section apply to the resold, transferred or leased motor vehicle for the full term of the warranty required under this subsection. Failure of the manufacturer, dealer, lessor or transferor to notify its immediate purchaser of the requirements of this section subjects the manufacturer, dealer, lessor or transferor to pay to the Commonwealth a civil penalty of \$2,000 per violation and, at the option of the purchaser, to replace the motor vehicle with a comparable motor vehicle of equal value or accept return of the vehicle from the purchaser and refund to the purchaser the full purchase price, including all collateral charges, less a reasonable allowance for the purchaser's use of the vehicle not exceeding 10¢ per mile driven or 10% of the purchase price of the vehicle, whichever is less.

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

(c) Agreement waiving, limiting or disclaiming rights.--Any agreement entered into by a purchaser that waives, limits or disclaims the rights set forth in this act is void as contrary to public policy. Where applicable, the rights set forth in this act shall extend to a subsequent purchaser, lessee or transferee of the motor vehicle.

(10 amended Oct. 2, 2002, P.L.809, No.117)

Compiler's Note: Section 2 of Act 117 of 2002, which amended section 10, provided that the amendment of section 10 shall apply to the purchase or lease of a new motor vehicle on or after the effective date of Act 117.

Compiler's Note: Section 3 of Act 94 of 2001, which amended section 10, provided that Act 94 shall apply to the purchase or lease of a new motor vehicle on or after the effective date of Act 94.

Section 11. Application of unfair trade act.

A violation of this act shall also be a violation of the act of December 17, 1968 (P.L.1224, No.387), known as the Unfair Trade Practices and Consumer Protection Law.

Section 12. Rights preserved.

Nothing in this act shall limit the purchaser from pursuing any other rights or remedies under any other law, contract or warranty.

Section 13. Nonwaiver of act.

The provisions of this act shall not be waived.

Section 14. Effective date.

This act shall take effect in 60 days and shall apply to new motor vehicles purchased after the effective date of this act.