

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 156 Session of  
1991

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CAPPABIANCA, TIGUE, M. N. WRIGHT, FAJT, E. Z. TAYLOR,  
RAYMOND, BISHOP, RITTER AND VEON, JANUARY 29, 1991

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, JANUARY 29, 1991

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, or to reimburse owners,  
16 for all or any part of the cost of repairing any condition that

1 may substantially affect vehicle durability, reliability or  
2 performance, other than service provided under a safety or  
3 emission-related recall campaign. The term does not include ad  
4 hoc adjustments made by a manufacturer on a case-by-case basis.

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

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

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

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

25 "Motor vehicle." A new and unused self-propelled, motorized  
26 conveyance which is driven upon public roads, streets or  
27 highways; which is designed to transport not more than 15  
28 persons; which was purchased or leased in this Commonwealth; and  
29 which is used or bought for use primarily for personal, family  
30 or household purposes. The term includes a vehicle used by a

1 manufacturer or dealer as a demonstrator or dealer car prior to  
2 its sale. The term does not include a motorcycle; an off-road  
3 vehicle; or that portion of a mobile home designated, used or  
4 maintained primarily as a mobile dwelling.

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

9 Section 3. Required procedures of manufacturer.

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

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

14 (i) shall be informed of any adjustment program  
15 applicable to the consumer's motor vehicle; and

16 (ii) upon request, shall be entitled to receive a  
17 copy of service bulletins or an index of service  
18 bulletins.

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

25 (3) Upon written request or oral request received  
26 pursuant to the toll-free telephone procedure set forth in  
27 paragraph (5), mail a copy of the service bulletins or an  
28 index of service bulletins to the consumer within 21 days  
29 from the date of receipt of the request and payment of the  
30 specified fee charged, if any.

1           (4) At its option, impose a charge not to exceed the  
2 reasonable cost of furnishing the service bulletins or index.  
3 The charge must be disclosed to the consumer prior to  
4 furnishing the material.

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

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

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

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

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

23 Section 4. Required disclosures of dealer.

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

27                   Manufacturer-Paid Repair Programs

28                           After The Warranty Period

29                   Sometimes (insert manufacturer's name) offers a special  
30 adjustment program to pay all or part of the cost of

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

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

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

#### 17 Section 5. Reimbursement.

18 A manufacturer who establishes an adjustment program shall  
19 implement and follow procedures to assure reimbursement of each  
20 consumer who is eligible under a particular program and who  
21 incurred expenses for repair of the condition subject to the  
22 program prior to acquiring knowledge of the program.

23 Reimbursement shall be consistent with the terms and conditions  
24 of the particular program. A claim for reimbursement under this  
25 section shall be made in writing to the manufacturer within two  
26 years of the date of the consumer's payment of repairs for the  
27 condition. The manufacturer shall notify the consumer in  
28 writing, within 21 business days of receiving a claim for  
29 reimbursement, whether the claim will be allowed or denied. If  
30 the claim is denied, the specific reasons for the denial shall

1 be stated in writing.

2 Section 6. Application of consumer protection act.

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

8 Section 7. Effective date.

9 This act shall take effect in 90 days.