

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1630 Session of
2011

INTRODUCED BY TOBASH, DALEY, FLECK, MARSHALL, GEIST, KNOWLES,
MASSER, S. H. SMITH, TURZAI, GIBBONS, MATZIE, DAVIDSON,
DAVIS, LONGIETTI, BAKER, BARRAR, BOBACK, R. BROWN, BUXTON,
CALTAGIRONE, CARROLL, DeLUCA, ELLIS, FRANKEL, GEORGE,
GILLESPIE, GOODMAN, HARHART, HARRIS, HEFFLEY, HICKERNELL,
M. K. KELLER, KOTIK, MANN, MARSICO, MICCARELLI, MICOZZIE,
MILLER, MOUL, MUNDY, MUSTIO, PAYNE, PEIFER, PICKETT,
SABATINA, SAINATO, SANTONI, SAYLOR, SCAVELLO, STEVENSON,
STURLA, TOOHIL, BENNINGHOFF AND KILLION, JUNE 13, 2011

SENATOR TOMLINSON, CONSUMER PROTECTION AND PROFESSIONAL
LICENSURE, IN SENATE, AS AMENDED, NOVEMBER 15, 2011

AN ACT

1 Amending the act of June 28, 1947 (P.L.1110, No.476), entitled
2 "An act defining and regulating certain installment sales of
3 motor vehicles; prescribing the conditions under which such
4 sales may be made and regulating the financing thereof;
5 regulating and licensing persons engaged in the business of
6 making or financing such sales; prescribing the form,
7 contents and effect of instruments used in connection with
8 such sales and the financing thereof; prescribing certain
9 rights and obligations of buyers, sellers, persons financing
10 such sales and others; limiting incidental charges in
11 connection with such instruments and fixing maximum interest
12 rates for delinquencies, extensions and loans; regulating
13 insurance in connection with such sales; regulating
14 repossessions, redemptions, resales and deficiency judgments
15 and the rights of parties with respect thereto; authorizing
16 extensions, loans and forbearances related to such sales;
17 authorizing investigations and examinations of persons
18 engaged in the business of making or financing such sales;
19 prescribing penalties and repealing certain acts," further
20 providing for revocation or suspension of licenses.

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

1 Section 1. Paragraph 14 of subsection A of section 10 of the
2 act of June 28, 1947 (P.L.1110, No.476), known as the Motor
3 Vehicle Sales Finance Act, amended December 9, 2002 (P.L. 1446,
4 No.186), is amended to read:

5 Section 10. Revocation or Suspension of Licenses.--

6 A. The department, upon thirty (30) days' written notice to
7 the licensee, forwarded by registered mail to the place of
8 business of such licensee, as shown in the application for
9 license or as amended on the license certificate in case of
10 change of address subsequent to issuance of the license
11 certificate, may revoke or suspend any license if it finds that:

12 * * *

13 14. The licensee has engaged in unfair, deceptive,
14 fraudulent or illegal practices or conduct in connection with
15 any business regulated under this act[, including making ←
16 excessive mark-ups to charges for items described in clause 1, 5
17 or 10.1 of subsection B of section 14 or subsection E of section
18 18 or mark-ups of costs in violation of subsection D of section
19 18. The department shall adopt a statement of policy that
20 contains guidelines determining mark-ups that the department
21 finds, after reasonably considering relevant market data, not to
22 be excessive and shall update and revise the statement of policy
23 to reflect changing business conditions. Mark-ups consistent
24 with the guidelines shall not be deemed excessive. Mark-ups in
25 excess of the guidelines †and, until such time as the department ←
26 adopts its guidelines, mark-ups for service contracts,
27 warranties, debt cancellation agreements and debt suspension
28 agreements in excess of 100% of the cost to the dealer† shall be ←
29 deemed excessive.]. THE DEPARTMENT SHALL REVIEW AND INVESTIGATE ←
30 AS APPROPRIATE, COMPLAINTS INSTITUTED BY THE DEPARTMENT IN

1 RESPONSE TO EXAMINATIONS OR CONSUMER COMPLAINTS, ANY ACTIVITIES
2 REGULATED BY THIS ACT, INCLUDING THOSE PERTAINING TO CHARGES FOR
3 SERVICE CONTRACTS, WARRANTIES, DEBT CANCELLATION AGREEMENTS AND
4 DEBT SUSPENSION AGREEMENTS PROVIDED FOR IN SUBSECTION B OF
5 SECTION 14. THE DEPARTMENT SHALL ANNUALLY REPORT TO THE CONSUMER
6 PROTECTION AND PROFESSIONAL LICENSURE COMMITTEE OF THE SENATE
7 AND THE CONSUMER AFFAIRS COMMITTEE OF THE HOUSE OF
8 REPRESENTATIVES THE NUMBER AND DISPOSITION OF SUCH ENFORCEMENT
9 ACTIONS AND CONSUMER COMPLAINT RESOLUTIONS.

10 * * *

11 Section 2. This act shall take effect in 90 days.