The Commonwealth of Massachusetts

In the One Hundred and Ninety-Second General Court (2021-2022)

SENATE, November 8, 2021.

The committee on Consumer Protection and Professional Licensure, to whom was referred the petitions (accompanied by bill, Senate, No. 184) of John Cronin, Diana DiZoglio, Mathew J. Muratore, Jack Patrick Lewis and other members of the General Court for legislation to expand wheelchair warranty protections for consumers with disabilities; and (accompanied by bill, House, No. 446) of James J. O'Day and others relative to wheelchair warranty protections for consumers, reports the accompanying bill (Senate, No. 2567).

For the committee, Susan L. Moran **SENATE No. 2567**

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An Act expanding wheelchair warranty protections for consumers with disabilities.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- 1 SECTION 1. Section 107 of chapter 93 of the General Laws is hereby amended by
- 2 striking out the section title and inserting in place thereof the following title:-
- 3 Section 107. Wheelchair warranty protections for consumers with disabilities; rights and
- 4 remedies
- 5 SECTION 2. Chapter 93 of the General Laws, as appearing in the 2018 Official Edition,
- 6 is hereby amended by striking out section 107, and inserting in place thereof the following
- 7 section:-
- 8 Section 107. (A) As used in this section the following words shall have the following
- 9 meanings unless the context clearly indicates otherwise:-
- "Authorized wheelchair dealer", any seller of a wheelchair that: (1) has, within a
- specified geographic area, an exclusive distribution arrangement with any person or entity that

manufacturers or assembles such wheelchair; or (2) is designated by the person or company that manufactures or assembles such wheelchair to repair or accept for repair such wheelchair.

"Collateral costs", the following expenses incurred by a consumer: (1) The cost to rent a substitute wheelchair during the time repairs are attempted for a wheelchair that has a nonconformity and during the time preceding receipt of a replacement for such a wheelchair; (2) The cost of shipping a wheelchair that has a nonconformity to a manufacturer, lessor, or authorized wheelchair dealer for repair or replacement; (3) Lost wages and transportation expenses resulting from a nonconformity in a wheelchair; and (4) Out-of-pocket medical expenses for the treatment of a physical injury caused by a nonconformity in a wheelchair.

"Consumer", (1) The purchaser of a wheelchair, including purchases covered by private or public insurance, if the wheelchair was purchased from a wheelchair dealer or manufacturer for purposes other than resale; (2) A person to whom the wheelchair is transferred for purposes other than resale, if the transfer occurs before the expiration of an express warranty applicable to the wheelchair; (3) A person who may enforce the warranty; or (4) A person who leases a wheelchair from a wheelchair lessor under a written lease. "Consumers" shall include those who have not paid all or some costs out of pocket for the purchase or lease of a wheelchair.

"Defective", having a condition of nonconformity.

"Early termination cost", an expense or obligation incurred by a wheelchair lessor as a result of both the termination of a written lease before the termination date set forth in such lease and the return of a wheelchair to a manufacturer pursuant to paragraph (c) of subsection (2) of subdivision (C). Early termination cost shall include a penalty for prepayment under a finance arrangement.

"Early termination savings", an expense or obligation avoided by a wheelchair lessor as a result of both the termination of a written lease before the termination date set forth in such lease and the return of a wheelchair to a manufacturer pursuant to said paragraph (c) of said subsection (2) of said subdivision (C). Early termination saving shall include interest charges that a wheelchair lessor would have paid to finance the wheelchair or, if the wheelchair was not financed, the difference between the total amount for which the lease obligates the consumer during the period of the lease term remaining after the early termination and the present value of such amount at the date of the early termination.

"Express warranty", a warranty provided as set forth in this section, which requires that the wheelchair shall be free from any condition or defect which substantially impairs the use, value, or safety of the wheelchair.

"Manufacturer", a person or company that manufactures or assembles wheelchairs and agents of that person or company, including an authorized wheelchair dealer, an importer, a distributor, factory branch, distributor branch and any warrantors of the manufacturer's wheelchair, but does not include a professional who fabricates, without charge, a device for use in the course of treatment.

"Nonconformity", a condition or defect that substantially impairs the use, value or safety of a wheelchair and which is covered by an express warranty applicable to the wheelchair or to a component of the wheelchair; "nonconformity" shall not include a condition or defect which results from abuse, neglect, or the unreasonable and unforeseeable misuse of the wheelchair by consumer modification or alteration.

- "Reasonable attempt to repair", any of the following occurring to a wheelchair after the consumer has reported the nonconformity and made the wheelchair available to the manufacturer for repair within the applicable term of warranty period:
 - (1) a nonconformity is subject to repair at least two times by the manufacturer, wheelchair lessor, or any of the manufacturer's authorized wheelchair dealers and the nonconformity continues, or

- 61 (2) the wheelchair is out of service for an aggregate of at least twenty-one days because 62 of a warranty nonconformity.
 - "Replacement wheelchair", a properly working substitute wheelchair that is comparable to the equipment to be repaired.
 - "Wheelchair", a wheelchair, scooter, or other aid that enhances the mobility or positioning of an individual with a disability, such as motorization, motorized positioning features, and the switches and controls for motorized features.
 - "Wheelchair dealer" means an individual or entity that is in the business of selling wheelchairs, including a manufacturer who sells wheelchairs directly to consumers.
 - "Wheelchair lessor" means an individual or entity that leases a wheelchair to a consumer, or who holds the lessor's rights, under a written lease.
 - (B)(1) A manufacturer who sells or leases a wheelchair to a consumer, either directly or through a wheelchair dealer, shall furnish the consumer with an express warranty for the wheelchair. The duration of the express warranty shall be not less than two years after first delivery of the wheelchair to the consumer.

- 76 (2) At the time of purchase or lease, the manufacturer must provide directly to the 77 consumer a statement, written in not less than 14-point all capital bolded type on a separate piece 78 of paper or in such other form as the consumer can understand, in substantially the following 79 form:
- 80 "IMPORTANT: IF THIS WHEELCHAIR IS DEFECTIVE WITHIN THE PERIOD OF 81 YOUR WARRANTY, [INSERT WARRANTY PERIOD, MINIMUM TWO (2) YEARS] 82 FROM THE DATE OF FIRST DELIVERY, YOU MAY BE ENTITLED UNDER STATE LAW TO REPLACEMENT OF IT OR A REFUND OF ITS PURCHASE PRICE. HOWEVER. 83 84 TO BE ENTITLED TO REFUND OR REPLACEMENT, YOU MUST FIRST NOTIFY THE 85 MANUFACTURER, THE WHEELCHAIR LESSOR, OR THE WHEELCHAIR DEALER OF 86 THE PROBLEM AND GIVE THE MANUFACTURER OR AN AUTHORIZED 87 WHEELCHAIR DEALER AN OPPORTUNITY TO REPAIR THE WHEELCHAIR IN 88 ACCORDANCE WITH MASSACHUSETTS GENERAL LAWS CHAPTER 93, SECTION 89 107."
- 91 WITHIN THE PERIOD OF YOUR WARRANTY, THE MANUFACTURER OR AN 92 AUTHORIZED WHEELCHAIR DEALER MUST ASSESS THE WHEELCHAIR WITHIN 93 THREE (3) BUSINESS DAYS FOLLOWING NOTICE AND, IF NECESSARY, PROVIDE A 94 REPLACEMENT WHEELCHAIR WITHIN FOUR (4) BUSINESS DAYS FOR THE 95 EXPECTED DURATION OF REPAIRS PROVIDED UNDER THE WARRANTY. THE 96 MANUFACTURER OR AUTHORIZED WHEELCHAIR DEALER MUST GIVE NO 97 GREATER THAN A FIVE (5) HOUR WINDOW FOR THE STARTING TIME OF THE 98 ASSESSMENT, IF FEASIBLE."

"IMPORTANT: IF THIS WHEELCHAIR IS BOTH DEFECTIVE AND INOPERABLE

This statement must include the applicable warranty period of two years or greater from the date of first delivery. If no statement is provided to the consumer as required under this section, the manufacturer is in violation of this section, and the express warranty period shall be three years.

(C)(1)(a) If a new wheelchair does not conform to an applicable express warranty and the consumer reports such nonconformity to the manufacturer, to a wheelchair lessor, or to a wheelchair dealer and such consumer makes the wheelchair available for repair prior to the expiration of the applicable warranty period from the date of first delivery, the nonconformity shall be repaired at no charge to the consumer. It shall be presumed that the consumer has made the wheelchair available to the manufacturer or authorized wheelchair dealer for repair if such consumer allows the manufacturer or dealer to take it from the consumer's home or other location where the user customarily uses the wheelchair.

(b) Whenever a wheelchair covered by a manufacturer's warranty is nonconforming and made available by a consumer to the manufacturer or an authorized wheelchair dealer for the repair of a nonconformity to which the warranty is applicable, the manufacturer shall cover all collateral costs, including providing directly to the consumer for the duration of the repair period, as selected by the consumer: (i) a replacement wheelchair; or (ii) reimbursement for the cost incurred by the consumer for renting a replacement wheelchair. If a wheelchair within the period of warranty is both defective and inoperable the manufacturer or an authorized wheelchair dealer must assess the wheelchair within 3 business days following notice from the consumer and, if necessary, provide a replacement wheelchair to the consumer within 4 business days following notice from the consumer for the expected duration of repairs provided under the warranty. The

manufacturer or authorized wheelchair dealer must give the consumer no greater than a 5-hour window for the starting time of the assessment, if feasible.

- (c) Manufacturers shall be required to fill all repair and replacement orders for wheelchairs under warranty in this section from their own inventory, or have a written subcontract for the purchase of items necessary to fill orders in accordance with this section. A subcontract must be in writing and must contain, at a minimum, the following: (i) names, addresses, phone numbers, and contact names for both companies; (ii) the contract term start and end dates; (iii) a description of the wheelchairs covered under the subcontract, including the cost of each item; (iv) signatures of both parties, including signature dates and position titles; (v) an established credit limit that is reasonable, based on the value of the products and services to be provided by the contractor; and (vi) a provision requiring shipping of parts, whenever feasible, by overnight mail.
- (d) The manufacturer must keep written record of all repair attempts made, including: (i) the date a repair was requested; (ii) the type of repair requested; (iii) the date the repair attempt began; (iv) the length of the repair attempt; (v) the results of the repair attempt; and (vi) the total number of repair attempts made. The manufacturer must give the consumer no greater than a 5-hour window for the starting time of the appointment, if feasible.
- (2)(a) If, after a reasonable attempt to repair, the nonconformity is not repaired, the manufacturer shall carry out the requirements set forth in paragraph (b) or (c), whichever is appropriate.
- (b) At the direction of a consumer other than one who leases a wheelchair, the manufacturer shall:

(i) accept return of the wheelchair and replace it with a comparable new wheelchair and refund any collateral costs not already covered under (C)(1)(b) of this section; or

- (ii) accept return of the wheelchair and refund to the consumer and to any holder of a perfected security interest, as their interest may appear, the full purchase price and any finance charge amount paid by the consumer at the point of sale and any collateral costs not already covered under (C)(1)(b) of this section, less a reasonable allowance for use. A reasonable allowance for use shall not exceed the amount obtained by multiplying the full purchase price of the wheelchair by a fraction, the denominator of which shall be one thousand eight hundred and twenty-five and the numerator of which shall be the number of days that the wheelchair was in the consumer's possession before the consumer first reported the nonconformity to the wheelchair dealer.
- (c) At the direction of a consumer who leases a wheelchair, the manufacturer shall accept return of the wheelchair, refund to the wheelchair lessor and to any holder of a perfected security interest, as their interest may appear, the current value of the written lease and refund to the consumer the amount such consumer paid under the written lease and any collateral costs not already covered under (C)(1)(b) of this section, less a reasonable allowance for use. A reasonable allowance for use shall not exceed the amount obtained by multiplying the total amount for which the written lease obligates the consumer by a fraction, the denominator of which shall be one thousand eight hundred and twenty-five, or the number of days of the lease, whichever number is greater, and the numerator of which shall be half of the number of days that the consumer possessed the wheelchair before first reporting the nonconformity to the manufacturer, wheelchair lessor or wheelchair dealer.

The current value of the written lease shall be the total amount for which that lease obligates the consumer during the period of the lease remaining after its early termination, plus the wheelchair dealer's early termination costs and the value of the wheelchair at the lease expiration date if the lease sets forth that value, less the wheelchair lessor's early termination savings.

- (3) In order to receive a comparable new wheelchair or a refund due under paragraph (b) of subsection (2), a consumer described thereunder shall offer to the manufacturer of the wheelchair having the nonconformity to transfer possession of that wheelchair to that manufacturer. No later than thirty days after such offer, the manufacturer shall provide the consumer with the comparable new wheelchair or refund. When the manufacturer provides the wheelchair or refund, the consumer shall make the wheelchair having the nonconformity available for return to the manufacturer, along with any endorsements necessary to transfer legal possession to the manufacturer.
- (4)(a) In order to receive a refund due under paragraph (c) of subsection (2), a consumer described thereunder shall offer to return the wheelchair having the nonconformity to its manufacturer. Not later than thirty days after such offer, the manufacturer shall provide the refund to the consumer. When the manufacturer provides the refund, the consumer shall make the wheelchair having the nonconformity available for return to the manufacturer.
- (b) To receive a refund due under paragraph (c) of subsection (2), a wheelchair lessor shall offer to transfer possession of the wheelchair having the nonconformity to its manufacturer. No later than thirty days after such offer, the manufacturer shall provide the refund to the wheelchair lessor. When the manufacturer provides the refund, the wheelchair lessor shall

provide to the manufacturer any endorsements necessary to transfer legal possession to the manufacturer.

- (c) No person may enforce the lease against the consumer after such consumer exercises rights under paragraph (c) of subsection (2).
- (d) No wheelchair returned by a consumer or wheelchair lessor in the commonwealth or by a consumer or wheelchair lessor in another state under a similar law of that state, may be resold or leased in the commonwealth unless full disclosure of the reasons for such return has been made to a prospective buyer or lessee.
- (D) Each consumer shall have the option of submitting any dispute arising under this section, upon the payment of a prescribed filing fee, to an alternate arbitration mechanism established pursuant to regulations promulgated hereunder by the secretary of the executive office of consumer affairs and business regulation. Upon application of the consumer and payment of the appropriate filing fee, all manufacturers shall submit to such alternative arbitration. Such alternate arbitration shall be conducted by a professional arbitrator or arbitration firm appointed by and under regulations established by the attorney general. Such mechanism shall ensure the personal objectivity of its arbitrators and the right of each party to present its case, to be in attendance during any presentation made by the other party and to rebut or refute such presentation.
- (E) The attorney general is hereby authorized to bring an action under section 4 of chapter 93A to enforce this section and to obtain restitution, civil penalties, injunctive relief and any other relief awarded pursuant to chapter 93A. Nothing contained in this section shall be

deemed to limit any rights or remedies available to a consumer under any other law. Any waiver by a consumer of rights under this section shall be void.

- (F) A consumer may bring a private right of action under chapter 93A to enforce this section. A violation of this section shall per se constitute an unfair or deceptive act under the provisions of chapter 93A. In addition to pursuing any other remedy, including relief under chapter 93A, a consumer may bring an action to recover for damages caused by a violation of this section. The court shall award a consumer who prevails in such an action twice the amount of any pecuniary loss, together with costs, disbursements and reasonable attorney fees, and any equitable relief that the court deems is appropriate.
- (G) The office of consumer affairs and business regulation shall make an annual report to the joint committee on children, families, and persons with disabilities and the joint committee on consumer protection and professional licensure not later than January 1 of each year on the operational status of the wheelchair alternate arbitration mechanism, including, but not limited to, data regarding the number of complaints filed through the alternate arbitration mechanism and the aggregate results of such arbitration procedures.
- SECTION 3. Not later than 90 days after the effective date of this act, the Secretary of the Executive Office of Consumer Affairs and Business Regulation shall promulgate regulations as necessary pursuant to this act's amendments to section 107 of chapter 93.