THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL No. 745 Session of 2021

INTRODUCED BY HANBIDGE, KINSEY, BOBACK, SANCHEZ, MCNEILL, FREEMAN, SCHWEYER, CIRESI, WEBSTER, DELLOSO, MALAGARI AND ROZZI, MARCH 3, 2021

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, MARCH 3, 2021

AN ACT

1 2 3 4 5 6 7	Amending the act of March 28, 1984 (P.L.150, No.28), entitled "An act relating to the rights of purchasers and lessees of defective new motor vehicles," further providing for definitions, for disclosure, for repair obligations, for manufacturer's duty for refund or replacement, for presumption of a reasonable number of attempts, for civil cause of action and for resale of returned motor vehicle.
8	The General Assembly of the Commonwealth of Pennsylvania
9	hereby enacts as follows:
10	Section 1. Sections 2, 3, 4(a), 5, 6(b)(3), 8 and 10 of the
11	act of March 28, 1984 (P.L.150, No.28), known as the Automobile
12	Lemon Law, are amended to read:
13	Section 2. Definitions.
14	The following words and phrases when used in this act shall
15	have the meanings given to them in this section unless the
16	context clearly indicates otherwise:
17	"Dealer" or "motor vehicle dealer." A person in the business
18	of buying, selling, leasing or exchanging <u>motor</u> vehicles <u>or</u>
19	recreational vehicles.
20	"Department." The Department of Transportation of the

1 Commonwealth.

2	"House coach." A motor vehicle with an enclosed area that is
3	designed, constructed or equipped for use, either permanently or
4	temporarily, as a mobile dwelling place, sleeping place or
5	camping accommodation. A house coach includes:
6	(1) a motor home;
7	<u>(2) a slide-in cabin;</u>
8	(3) a sleeping unit specifically designed for mounting
9	on a pickup truck; and
10	(4) a sleeping cabin designed for use on trucks and
11	truck tractors operated for heavy-duty, long-distance
12	hauling.
13	"House trailer." Any of the following:
14	(1) A trailer that is designed, constructed and equipped
15	for use, either permanently or temporarily, as a mobile
16	dwelling place or sleeping place and is equipped for use as a
17	conveyance on streets and highways.
18	(2) A trailer containing a chassis and exterior shell
19	designed and constructed for use as a house trailer, as
20	defined in paragraph (1), but which is used permanently or
21	temporarily for advertising, sales, display or promotion of
22	merchandise or services or for any other commercial purpose
23	except the transportation of property.
24	"Manufacturer." Any person engaged in the business of
25	constructing or assembling new and unused motor vehicles or
26	recreational vehicles or engaged in the business of importing
27	new and unused motor vehicles or recreational vehicles into the
28	United States for the purpose of selling or distributing new and
29	unused motor vehicles or recreational vehicles to motor vehicle
30	dealers in this Commonwealth.

20210HB0745PN0730

1 "Manufacturer's express warranty" or "warranty." The written
2 warranty of the manufacturer of a new automobile <u>or recreational</u>
3 <u>vehicle</u> of its condition and fitness for use, including any
4 terms or conditions precedent to the enforcement of obligations
5 under the warranty.

6 <u>"Motor home." A motor vehicle designed or adapted for use as</u>
7 <u>a mobile dwelling place or office, except a motor vehicle</u>
8 equipped with a truck-camper.

9 "New motor vehicle." Any new and unused self-propelled, 10 motorized conveyance driven upon public roads, streets or highways which is designed to transport not more than 15 11 persons, which was purchased or leased and is registered in the 12 13 Commonwealth or purchased or leased elsewhere and registered for 14 the first time in the Commonwealth and is used, leased or bought 15 for use primarily for personal, family or household purposes, 16 including a vehicle used by a manufacturer or dealer as a demonstrator or dealer car prior to its sale. The term does not 17 18 include motorcycles[, motor homes] or off-road vehicles.

19 "Nonconformity." A defect or condition which substantially 20 impairs the use, value or safety of a new motor vehicle and does 21 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 or recreational 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 or recreational vehicle which is used, leased or bought for use primarily for personal, family or household purposes.

29 <u>"Recreational trailer." A trailer designed or adapted to</u>
30 provide temporary living quarters for noncommercial

20210HB0745PN0730

- 3 -

1	recreational, camping or travel use.
2	"Recreational vehicle." Any new and unused self-propelled
3	motorized conveyance or vehicle to be towed by a motor vehicle
4	that is purchased or leased for the first time in this
5	Commonwealth and that is registered in this Commonwealth if
6	required by the Department of Transportation. This term
7	includes, but is not limited to:
8	(1) a house coach;
9	(2) a house trailer;
10	(3) a motor home;
11	(4) a recreational trailer; or
12	(5) a truck-camper.
13	"Truck camper." A structure designed, used or maintained
14	primarily to be loaded or affixed to a motor vehicle to provide
15	a mobile dwelling , sleeping place, office or commercial space.
16	Section 3. Disclosure.
17	The Attorney General shall prepare and publish in the
18	Pennsylvania Bulletin a statement which explains a purchaser's
19	rights under this law. Manufacturers shall provide to each
20	purchaser at the time of original purchase of a new motor
21	vehicle <u>or recreational vehicle</u> a written statement containing a
22	copy of the Attorney General's statement and a listing of zone
23	offices, with addresses and phone numbers, which can be
24	contacted by the purchaser for the purpose of securing the
25	remedies provided for in this act.
26	Section 4. Repair obligations.
27	(a) Repairs requiredThe manufacturer of a new motor
28	vehicle or recreational vehicle sold or leased and registered in
29	the Commonwealth shall repair or correct, at no cost to the
30	purchaser, a nonconformity which substantially impairs the use,

20210HB0745PN0730

- 4 -

value or safety of said motor vehicle <u>or recreational vehicle</u>
 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.

6 * * *

7 Section 5. Manufacturer's duty for refund or replacement. 8 If the manufacturer fails to repair or correct a 9 nonconformity after a reasonable number of attempts, the 10 manufacturer shall, at the option of the purchaser, replace the motor vehicle or recreational vehicle with a comparable motor 11 vehicle or recreational vehicle of equal value or accept return 12 13 of the vehicle from the purchaser and refund to the purchaser the full purchase price or lease price, including all collateral 14 15 charges, less a reasonable allowance for the purchaser's use of 16 the vehicle not exceeding 10¢ per mile driven or 10% of the purchase price or lease price of the vehicle, whichever is less. 17 18 Refunds shall be made to the purchaser and lienholder, if any, as their interests may appear. A reasonable allowance for use 19 20 shall be that amount directly attributable to use by the purchaser prior to his first report of the nonconformity to the 21 manufacturer. In the event the consumer elects a refund, payment 22 23 shall be made within 30 days of such election. A consumer shall 24 not be entitled to a refund or replacement if the nonconformity does not substantially impair the use, value or safety of the 25 vehicle or the nonconformity is the result of abuse, neglect or 26 27 modification or alteration of the motor vehicle by the 28 purchaser.

29 Section 6. Presumption of a reasonable number of attempts.
30 * * *

20210HB0745PN0730

- 5 -

1

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(b) Time period extension.--

* * *

(3) Paragraphs (1) and (2) shall apply only if the
manufacturer, its agent or authorized dealer lends a motor
vehicle or recreational 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.
Section 8. Civil cause of action.

10 Any purchaser of a new motor vehicle <u>or recreational vehicle</u> 11 who suffers any loss due to nonconformity of such vehicle as a 12 result of the manufacturer's failure to comply with this act may 13 bring a civil action in a court of common pleas and, in addition 14 to other relief, shall be entitled to recover reasonable 15 attorneys' fees and all court costs.

16 Section 10. Resale of returned motor vehicle <u>or recreational</u> 17 vehicle.

(a) Vehicles may not be resold, transferred or leased at
retail or wholesale.--If a motor vehicle <u>or recreational vehicle</u>
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

20210HB0745PN0730

- 6 -

1 following form:

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

7 (3) The motor vehicle <u>or recreational vehicle</u> dealer,
8 lessor or transferor clearly and conspicuously discloses the
9 manufacturer's written notification prior to the resale or
10 lease of the repurchased motor vehicle <u>or recreational</u>
11 <u>vehicle</u>.

12 (4) The motor vehicle <u>or recreational vehicle</u> dealer, 13 lessor or transferor obtains a signed receipt certifying in a 14 conspicuous and understandable manner that the written 15 statement required under this subsection has been provided. 16 Access to the receipt shall be maintained for four years. The 17 Attorney General shall approve the form and content of the 18 disclosure statement supplied by the manufacturer.

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

22 The department shall update its records and issue a (6) 23 title with a designation indicating that the motor vehicle or 24 recreational vehicle was repurchased under the provisions of 25 this act. The department shall forward to subsequent 26 purchasers or lienholders, in accordance with 75 Pa.C.S. §§ 27 1107 (relating to delivery of certificate of title) and 28 1132.1 (relating to perfection of security interest in a 29 vehicle), a certificate of title which indicates that the vehicle was branded under the provisions of this act. The 30

20210HB0745PN0730

- 7 -

1 department shall determine the exact form and content of the 2 title brand.

3 The provisions of this section apply to the resold, transferred or leased motor vehicle or recreational vehicle for the full 4 term of the warranty required under this subsection. Failure of 5 the manufacturer, dealer, lessor or transferor to notify its 6 7 immediate purchaser of the requirements of this section subjects 8 the manufacturer, dealer, lessor or transferor to pay to the Commonwealth a civil penalty of \$2,000 per violation and, at the 9 option of the purchaser, to replace the motor vehicle or 10 11 recreational vehicle with a comparable motor vehicle or 12 recreational vehicle of equal value or accept return of the 13 vehicle from the purchaser and refund to the purchaser the full 14 purchase price, including all collateral charges, less a reasonable allowance for the purchaser's use of the vehicle not 15 16 exceeding 10¢ per mile driven or 10% of the purchase price of 17 the vehicle, whichever is less.

18 (b) Returned vehicles not to be resold. -- Notwithstanding the 19 provisions of subsection (a), if a new motor vehicle or 20 recreational vehicle has been returned under the provisions of 21 this act or a similar statute of another state because of a nonconformity resulting in a complete failure of the braking or 22 23 steering system of the motor vehicle or recreational vehicle 24 likely to cause death or serious bodily injury if the vehicle was driven, the motor vehicle or recreational vehicle may not be 25 26 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

20210HB0745PN0730

- 8 -

- 1 act shall extend to a subsequent purchaser, lessee or transferee
- 2 of the motor vehicle or recreational vehicle.
- 3 Section 2. This act shall take effect in 60 days.