

No. 2001-94

## AN ACT

## SB 286

Amending the act of March 28, 1984 (P.L.150, No.28), entitled "An act relating to the rights of purchasers of defective new motor vehicles," amending the title of the act; and further providing for definitions, for repair obligations, for manufacturer's duty for refund or replacement and for resale of returned motor vehicle.

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

Section 1. The title of the act of March 28, 1984 (P.L.150, No.28), known as the Automobile Lemon Law, is amended to read:

## AN ACT

Relating to the rights of purchasers *and lessees* of defective new motor vehicles.

Section 2. Sections 2, 4, 5 and 10 of the act are amended to read:

## 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.

"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 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.

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.

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.

**Section 10. Resale of returned motor vehicle.**

(a) Vehicles may not be resold.—If a motor vehicle has been returned under the provisions of this act or a similar statute of another state, it may not be resold *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, whichever is earlier.

(2) The manufacturer provides the consumer 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 RETURNED TO 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.”**

The provisions of this section apply to the resold motor vehicle for the full term of the warranty required under this subsection.

(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.

**Section 3. This act shall apply to the purchase or lease of a new motor vehicle on or after the effective date of this act.**

**Section 4. This act shall take effect in 60 days.**

**APPROVED—The 13th day of December, A.D. 2001.**

**MARK S. SCHWEIKER**