

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

SENATE BILL

No. 1405 Session of  
2015

---

INTRODUCED BY BROWNE, NOVEMBER 16, 2016

---

REFERRED TO CONSUMER PROTECTION AND PROFESSIONAL LICENSURE,  
NOVEMBER 16, 2016

---

AN ACT

1 Amending the act of March 28, 1984 (P.L.150, No.28), entitled,  
2 as amended, "An act relating to the rights of purchasers of  
3 defective new motor vehicles," further providing for  
4 manufacturer's duty for refund or replacement.

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

7 Section 1. Section 5 of the act of March 28, 1984 (P.L.150,  
8 No.28), known as the Automobile Lemon Law, amended December 13,  
9 2001 (P.L.868, No.94), is amended to read:

10 Section 5. Manufacturer's duty for refund or replacement.

11 (a) Option of purchaser.--

12 (1) If the manufacturer fails to repair or correct a  
13 nonconformity after a reasonable number of attempts, the  
14 manufacturer shall, at the option of the purchaser, replace  
15 the motor vehicle with a comparable motor vehicle of equal  
16 value or accept return of the vehicle from the purchaser and  
17 refund to the purchaser the full purchase price or lease  
18 price, including all collateral charges, less a reasonable  
19 allowance for the purchaser's use of the vehicle not

1 exceeding 10¢ per mile driven or 10% of the purchase price or  
2 lease price of the vehicle, whichever is less. Refunds shall  
3 be made to the purchaser and lienholder, if any, as their  
4 interests may appear. A reasonable allowance for use shall be  
5 that amount directly attributable to use by the purchaser  
6 prior to his first report of the nonconformity to the  
7 manufacturer. In the event the consumer elects a refund,  
8 payment shall be made within 30 days of such election.

9       (2) A consumer shall not be entitled to a refund or  
10 replacement if the nonconformity does not substantially  
11 impair the use, value or safety of the vehicle or the  
12 nonconformity is the result of abuse, neglect or modification  
13 or alteration of the motor vehicle by the purchaser.

14       (b) Sales tax.--A refund paid to the purchaser under this  
15 section shall be deemed a trade-in for the purpose of computing  
16 sales tax under Article II of the act of March 4, 1971 (P.L.6,  
17 No.2), known as the Tax Reform Code of 1971, if applied to the  
18 purchase of another motor vehicle within 30 days of its receipt.

19       Section 2. The addition of section 5(b) of the act shall  
20 apply to refunds paid on or after January 1, 2017.

21       Section 3. This act shall take effect immediately.