

Calendar No. 324

103D CONGRESS
1ST SESSION

S. 431

[Report No. 103-197]

A BILL

To amend the Motor Vehicle Information and Cost Savings Act.

NOVEMBER 20 (legislative day, NOVEMBER 2), 1993
Reported with amendments

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[Report No. 103-197]

To amend the Motor Vehicle Information and Cost Savings Act.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 24 (legislative day, JANUARY 5), 1993

Mr. EXON (for himself, Mr. LUGAR, Mr. DASCHLE, and Mr. MATHEWS) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

NOVEMBER 20 (legislative day, NOVEMBER 2), 1993

Reported by Mr. HOLLINGS, with amendments

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend the Motor Vehicle Information and Cost Savings Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE AND REFERENCE.**

4 (a) ~~SHORT TITLE.~~—This Act may be cited as the
5 “Vehicle Damage Disclosure Act of 1993”.

1 (b) ~~REFERENCE.~~—Whenever in this Act an amend-
 2 ment or repeal is expressed in terms of an amendment
 3 to, or repeal of, a section or other provision, the reference
 4 shall be considered to be made to a section or other provi-
 5 sion of the Motor Vehicle Information and Cost Savings
 6 Act.

7 **SECTION 1. SHORT TITLE.**

8 *This Act may be cited as the “Vehicle Damage Disclo-*
 9 *sure and Consumer Protection Act of 1993”.*

10 **SEC. 2. PURPOSE.**

11 Section 401 (49 U.S.C. 1981) is amended—

12 (1) by inserting after “reliability;” the follow-
 13 ing: “that a designation by a State on the title that
 14 such vehicle has previously sustained major damage
 15 or has been rebuilt after being declared ‘junk’ or
 16 ‘salvage’ is an important factor in evaluating the
 17 value and safety of such automobile;”, and

18 (2) by inserting before the period the following:
 19 “or vehicles for which States have previously issued
 20 a title brand indicating prior severe damage”.

21 **SEC. 2. PURPOSE.**

22 *Section 401 of the Motor Vehicle Information and Cost*
 23 *Savings Act (15 U.S.C. 1981) is amended by inserting after*
 24 *the second sentence the following new sentences: “It is also*
 25 *the purpose of this title to protect purchasers with respect*

1 *to motor vehicles for which States have previously issued*
 2 *a title brand indicating prior damage. It is further the pur-*
 3 *pose of this title to protect purchasers with respect to motor*
 4 *vehicles which have been repurchased, replaced, or reac-*
 5 *quired under a State lemon law.”.*

6 **SEC. 3. DEFINITIONS.**

7 *Sec. 402 of the Motor Vehicle Information and Cost*
 8 *Savings Act (15 U.S.C. 1982) is amended by adding at the*
 9 *end the following new paragraphs:*

10 *“(9) The term ‘manufacturer buyback vehicle’*
 11 *means a motor vehicle that has been repurchased, re-*
 12 *placed, or reacquired pursuant to a State lemon law.*

13 *“(10) The term ‘State lemon law’ means a State*
 14 *law requiring that a motor vehicle manufacturer, dis-*
 15 *tributor, or dealer repurchase, replace, or reacquire a*
 16 *new motor vehicle due to a nonconformity in mate-*
 17 *rials or workmanship that renders the vehicle unfit*
 18 *for ordinary use or reasonably intended purposes.”.*

19 **SEC. 3. 4. DISCLOSURE REQUIREMENTS UPON TRANSFER**
 20 **OF OWNERSHIP OF A MOTOR VEHICLE.**

21 ~~Section 408 (49 U.S.C. 1988) is amended—~~

22 ~~(1) in subsection (a) by inserting “on the title”~~
 23 ~~after “disclosure”, and~~

24 ~~(2) by adding at the end the following:~~

1 *Section 408 of the Motor Vehicle Information and Cost*
2 *Savings Act (15 U.S.C. 1988) is amended by adding at the*
3 *end the following new subsection:*

4 “(h)(1) Any motor vehicle the ownership of which is
5 transferred may not be licensed for use in any State unless
6 the State discloses on the title whether records readily ac-
7 cessible to it indicate—

8 “(A) whether the vehicle was previously issued
9 a title that bore any word or symbol signifying that
10 the vehicle was ‘salvage’, ‘junk’, ‘reconstructed’, or
11 ‘~~rebuilt~~’ or ‘*rebuilt*’, that it has been damaged by
12 flood, *or that it was a manufacturer buyback vehicle*,
13 and

14 “(B) if it was issued such a title, which State
15 first issued such a title.

16 “(2) The Secretary shall—

17 “(A) not later than ninety days after the date
18 of the enactment of the Vehicle Damage Disclosure
19 Act of 1993, prescribe by rule the manner in which
20 a State shall disclose the information described in
21 paragraph (1)(A) and the manner in which such in-
22 formation shall be retained, and

23 “(B) not later than twelve months after the
24 date of the enactment of such Act, in consultation
25 with the task force established under section 140(a)

1 of the Anti Car Theft Act of 1992 (15 U.S.C. 2401
2 note), prescribe the manner in which and the cir-
3 cumstances under which States shall signify that a
4 vehicle has previously sustained major damage.”.

5 “(2) The Secretary shall—

6 “(A) not later than 90 days after the date of en-
7 actment of the Vehicle Damage Disclosure and
8 Consumer Protection Act of 1993, prescribe by rule
9 the manner in which, and the date by which, a State
10 shall disclose the information described in paragraph
11 (1)(A) and the manner in which such information
12 shall be retained,

13 “(B) not later than 12 months after such date of
14 enactment, in consultation with the task force estab-
15 lished under section 140(a) of the Anti Car Theft Act
16 of 1992 (15 U.S.C. 2041 note), prescribe by rule uni-
17 form minimum standards and procedures relating to
18 the disclosure by a State on a vehicle certificate of
19 title that a vehicle has sustained severe damage,

20 “(C) study and develop recommendations (in
21 consultation, to the extent practicable, with the task
22 force described in subparagraph (B)) concerning
23 whether, in order to maximize consumer protection, a
24 disclosure of the dollar value of damage to a motor ve-
25 hicle should be included on all of its certificates of

1 *title, at times of title transfer, in any case in which*
2 *the motor vehicle has neither been declared a total loss*
3 *by an insurer or vehicle owner nor had its title*
4 *branded with any word or symbol signifying that the*
5 *vehicle was 'salvage', 'junk', 'reconstructed', or 're-*
6 *built' or that it was damaged by flood, and*

7 *“(D) not later than 12 months after the date of*
8 *enactment of the Vehicle Damage Disclosure and*
9 *Consumer Protection Act of 1993, prescribe by rule*
10 *the minimum requirements of form and content for*
11 *State certificates of title.”.*

12 **SEC. 5. DISCLOSURE OF MANUFACTURER BUYBACK VEHI-**
13 **CLES.**

14 *(a) STUDY.—The Secretary of Transportation shall*
15 *conduct a study of the various means that may be required*
16 *by Federal law for disclosing to prospective purchasers that*
17 *a motor vehicle is a manufacturer buyback vehicle. The*
18 *study shall include a consideration of the advantages and*
19 *disadvantages of such alternative, taking into account the*
20 *cost to the vehicle manufacturer, distributor, or dealer of*
21 *complying with such requirement and the effectiveness of*
22 *the requirement in informing purchasers.*

23 *(b) MEANS FOR DISCLOSURE.—Among the means for*
24 *disclosure that shall be the subject of the study required by*
25 *this section are the following:*

1 (1) *A national uniform sticker, affixed to the*
2 *windshield of a motor vehicle prior to a purchaser's*
3 *agreement to purchase the vehicle, that states that the*
4 *vehicle is a manufacturer buyback vehicle.*

5 (2) *A national uniform consumer disclosure*
6 *statement, provided to any prospective purchaser be-*
7 *fore the purchase agreement occurs, that—*

8 (A) *includes the motor vehicle make, model,*
9 *year, vehicle identification number, and any*
10 *prior title numbers and prior States of title; and*

11 (B) *discloses that the motor vehicle is (ac-*
12 *cording to records available to the State issuing*
13 *the certificate of title, including records from*
14 *any State in which a certificate of title has pre-*
15 *viously been issued for such motor vehicle) a*
16 *manufacturer buyback vehicle.*

17 (c) *REPORT TO CONGRESS.—The Secretary of Trans-*
18 *portation shall, not later than 6 months after the date of*
19 *enactment of this Act, report to the Committee on Com-*
20 *merce, Science, and Transportation of the Senate and the*
21 *Committee on Energy and Commerce of the House of Rep-*
22 *resentatives on the results of the study required by this*
23 *section.*

24 (d) *DEFINITIONS.—The terms “manufacturer buyback*
25 *vehicle”, “dealer”, and “distributor” have the meanings*

1 *those terms have under section 402 of the Motor Vehicle In-*
2 *formation and Cost Savings Act (15 U.S.C. 1988), as*
3 *amended by this Act.*

Amend the title so as to read: “A bill to amend the Motor Vehicle Information and Cost Savings Act to provide for vehicle damage disclosure and consumer protection.”.