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**HOUSE BILL NO. 2521**

Offered January 21, 2011

A *BILL to amend and reenact § 59.1-207.11 of the Code of Virginia, relating to the consumers under the Virginia Motor Vehicle Warranty Enforcement Act.*

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 Patron—Bell, Robert B.

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 Referred to Committee on Commerce and Labor

**Be it enacted by the General Assembly of Virginia:****1. That § 59.1-207.11 of the Code of Virginia is amended and reenacted as follows:**

§ 59.1-207.11. Definitions.

As used in this chapter, the following terms shall have the following meanings:

"Business entity" means a corporation, limited liability company, general or limited partnership, or business trust that purchases or leases as lessee no more than 25 motor vehicles in any calendar year and that regularly uses the motor vehicles in the conduct of for-profit commercial activities.

"Collateral charges" means any sales-related or lease-related charges including but not limited to sales tax, license fees, registration fees, title fees, finance charges and interest, transportation charges, dealer preparation charges or any other charges for service contracts, undercoating, rust proofing or installed options, not recoverable from a third party. If a refund involves a lease, "collateral charges" means, in addition to any of the above, capitalized cost reductions, credits and allowances for any trade-in vehicles, fees to another to obtain the lease, and insurance or other costs expended by the lessor for the benefit of the lessee.

"Comparable motor vehicle" means a motor vehicle that is identical or reasonably equivalent to the motor vehicle to be replaced, as the motor vehicle to be replaced existed at the time of purchase or lease with an offset from this value for a reasonable allowance for its use.

"Consumer" means the purchaser, other than for purposes of resale, or the lessee, of a motor vehicle that is purchased or leased (i) by one or more individuals and used in substantial part for personal, family, or household purposes; and or (ii) by a business entity and used for any purpose. "Consumer" includes any person individual to whom such motor vehicle is transferred for the same personal, family, or household purposes during the duration of any warranty applicable to such motor vehicle, and any other person entitled by the terms of such warranty to enforce the obligations of the warranty.

"Incidental damages" shall have the same meaning as provided in § 8.2-715.

"Lemon law rights period" means the period ending eighteen months after the date of the original delivery to the consumer of a new motor vehicle. This shall be the period during which the consumer can report any nonconformity to the manufacturer and pursue any rights provided for under this chapter.

"Lien" means a security interest in a motor vehicle.

"Lienholder" means a person, partnership, association, corporation or entity with a security interest in a motor vehicle pursuant to a lien.

"Manufacturer" means a person, partnership, association, corporation or entity engaged in the business of manufacturing or assembling motor vehicles, or of distributing motor vehicles to motor vehicle dealers.

"Manufacturer's express warranty" means the written warranty, so labeled, of the manufacturer of a new automobile, including any terms or conditions precedent to the enforcement of obligations under that warranty.

"Motor vehicle" means only passenger cars, pickup or panel trucks, motorcycles, self-propelled motorized chassis of motor homes and mopeds as those terms are defined in § 46.2-100 and demonstrators or leased vehicles with which a warranty was issued.

"Motor vehicle dealer" shall have the same meaning as provided in § 46.2-1500.

"Nonconformity" means a failure to conform with a warranty, a defect or a condition, including those that do not affect the driveability of the vehicle, which significantly impairs the use, market value, or safety of a motor vehicle.

"Notify" or "notification" means that the manufacturer shall be deemed to have been notified under this chapter if a written complaint of the defect or defects has been mailed to it or it has responded to the consumer in writing regarding a complaint, or a factory representative has either inspected the vehicle or met with the consumer or an authorized dealer regarding the nonconformity.

"Reasonable allowance for use" shall not exceed one-half of the amount allowed per mile by the Internal Revenue Service, as provided by regulation, revenue procedure, or revenue ruling promulgated pursuant to § 162 of the Internal Revenue Code, for use of a personal vehicle for business purposes,

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HB2521

59 plus an amount to account for any loss to the fair market value of the vehicle resulting from damage  
60 beyond normal wear and tear, unless the damage resulted from nonconformity to any warranty.

61 "Serious safety defect" means a life-threatening malfunction or nonconformity that impedes the  
62 consumer's ability to control or operate the new motor vehicle for ordinary use or reasonable intended  
63 purposes or creates a risk of fire or explosion.

64 "Significant impairment" means to render the new motor vehicle unfit, unreliable or unsafe for  
65 ordinary use or reasonable intended purposes.

66 "Warranty" means any implied warranty or any written warranty of the manufacturer, or any  
67 affirmations of fact or promise made by the manufacturer in connection with the sale or lease of a  
68 motor vehicle that become part of the basis of the bargain. The term "warranty" pertains to the  
69 obligations of the manufacturer in relation to materials, workmanship, and fitness of a motor vehicle for  
70 ordinary use or reasonable intended purposes throughout the duration of the lemon law rights period as  
71 defined under this section.