

117TH CONGRESS
1ST SESSION

S. 1835

To prohibit the sale, lease, or loan of used motor vehicles with open recalls
to consumers by auto dealers.

IN THE SENATE OF THE UNITED STATES

MAY 26, 2021

Mr. BLUMENTHAL (for himself, Mr. MARKEY, and Ms. WARREN) introduced
the following bill; which was read twice and referred to the Committee
on Commerce, Science, and Transportation

A BILL

To prohibit the sale, lease, or loan of used motor vehicles
with open recalls to consumers by auto dealers.

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.**

4 This Act may be cited as the “Used Car Safety Recall
5 Repair Act”.

6 **SEC. 2. USED MOTOR VEHICLE CONSUMER PROTECTION.**

7 (a) DEFINITIONS.—Section 30102(a) of title 49,
8 United States Code, is amended—

9 (1) in the matter preceding paragraph (1), by
10 striking “chapter—” and inserting “chapter:”;

1 (2) in each of paragraphs (1) through (13)—

2 (A) by inserting “The term” after the
3 paragraph designation; and

4 (B) by inserting a paragraph heading, the
5 text of which is comprised of the term defined
6 in the paragraph; and

7 (3) by adding at the end the following:

8 “(14) USED MOTOR VEHICLE.—The term ‘used
9 motor vehicle’ means a motor vehicle that has pre-
10 viously been purchased other than for resale.”.

11 (b) DEALER REIMBURSEMENT AND LIMITATION ON
12 THE SALE, LEASE, OR LOAN OF USED MOTOR VEHI-
13 CLES.—Section 30120 of title 49, United States Code, is
14 amended—

15 (1) in subsection (f)—

16 (A) by redesignating paragraphs (1) and
17 (2) as paragraphs (2) and (1), respectively, and
18 moving the paragraphs so as to appear in nu-
19 merical order;

20 (B) in paragraph (2) (as so redesignated),
21 in the paragraph heading, by striking “IN GEN-
22 ERAL” and inserting “REIMBURSEMENT FOR
23 REMEDY PROVIDED”; and

24 (C) by adding at the end the following:

1 “(3) UNAVAILABLE REMEDY FOR A USED
2 MOTOR VEHICLE.—

3 “(A) DEFINITION OF DEALER.—In this
4 paragraph, the term ‘dealer’ has the meaning
5 given the term in subsection (k)(1).

6 “(B) REIMBURSEMENT.—

7 “(i) IN GENERAL.—If a dealer is in
8 possession of a used motor vehicle and the
9 manufacturer of that used motor vehicle
10 has failed to make a remedy available by
11 the date described in clause (ii), the manu-
12 facturer shall reimburse the dealer at the
13 rate described in clause (iii) until the ear-
14 lier of—

15 “(I) the date on which a remedy
16 is made available by the manufac-
17 turer; and

18 “(II) the date on which the total
19 amount of payments to a dealer under
20 this paragraph equals the fair market
21 value of the used motor vehicle.

22 “(ii) DATE DESCRIBED.—The date re-
23 ferred to in clause (i) is the date that is 60
24 days after the date described in section

1 30119(b) and specified by the manufac-
2 turer—

3 “(I) in a notification under sec-
4 tion 30119(a)(5); or

5 “(II) under section 30121(c)(2).

6 “(iii) RATE DESCRIBED.—The rate re-
7 ferred to in clause (i) is a rate determined
8 by the Secretary that is not less than 1
9 percent of the fair market value of the
10 used motor vehicle per month, which shall
11 be prorated on a daily basis for each day
12 that the used motor vehicle is in the pos-
13 session of the dealer—

14 “(I) after the date described in
15 clause (ii); and

16 “(II) before the date on which a
17 remedy is made available by the man-
18 ufacturer.

19 “(iv) LIMITATION.—The total amount
20 of payments to a dealer under this para-
21 graph with respect to a used motor vehicle
22 shall not exceed the fair market value of
23 that used motor vehicle.”; and

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

1 “(k) LIMITATION ON THE SALE, LEASE, OR LOAN OF
2 USED MOTOR VEHICLES.—

3 “(1) DEFINITION OF DEALER.—In this sub-
4 section, the term ‘dealer’ means a person that, dur-
5 ing the 1-year period ending on the date of the sale,
6 lease, or loan of a used motor vehicle, has sold at
7 least 5 motor vehicles to buyers that in good faith
8 purchased the vehicles other than for resale.

9 “(2) LIMITATION.—Except as provided under
10 paragraph (3), a dealer shall not sell, lease, or loan
11 a used motor vehicle until after any defect or non-
12 compliance for which notification is required under
13 subsection (b)(2)(A) or (c) of section 30118 with re-
14 spect to the vehicle has been remedied.

15 “(3) EXCEPTION.—Paragraph (2) shall not
16 apply if—

17 “(A) the recall information regarding the
18 used motor vehicle—

19 “(i) was not available at the time of
20 sale, lease, or loan using the means estab-
21 lished by the Secretary under section
22 31301 of the Moving Ahead for Progress
23 in the 21st Century Act (49 U.S.C. 30166
24 note; Public Law 112–141); and

1 “(ii) was not available on the website
2 of the manufacturer;

3 “(B) notification of the defect or non-
4 compliance is required by an order issued by
5 the Secretary under section 30118(b)(2), but
6 enforcement of the order is set aside in a civil
7 action to which section 30121(d) applies;

8 “(C) the used motor vehicle is sold at
9 wholesale; or

10 “(D)(i) the used motor vehicle is a junk
11 automobile (as defined in section 30501); and

12 “(ii) all required information with respect
13 to the used motor vehicle has been reported to
14 the National Motor Vehicle Title Information
15 System under section 30504.”.

16 **SEC. 3. EFFECTIVE DATE.**

17 This Act and the amendments made by this Act shall
18 take effect on the date that is 1 year after the date of
19 enactment of this Act.

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