A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

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

SEC. 2. USED MOTOR VEHICLE CONSUMER PROTECTION.

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

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

IN THE SENATE OF THE UNITED STATES

Mr. Blumenthal (for himself, Mr. Markey, and Ms. Warren) introduced the following bill; which was read twice and referred to the Committee on ________
2

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

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

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

(3) by adding at the end the following:

“(14) USED MOTOR VEHICLE.—The term ‘used motor vehicle’ means a motor vehicle that has previously been purchased other than for resale.”.

(b) DEALER REIMBURSEMENT AND LIMITATION ON THE SALE, LEASE, OR LOAN OF USED MOTOR VEHICLES.—Section 30120 of title 49, United States Code, is amended—

(1) in subsection (f)—

(A) by redesignating paragraphs (1) and (2) as paragraphs (2) and (1), respectively, and moving the paragraphs so as to appear in numerical order;

(B) in paragraph (2) (as so redesignated), in the paragraph heading, by striking “IN GENERAL” and inserting “REIMBURSEMENT FOR REMEDY PROVIDED”; and

(C) by adding at the end the following:
“(3) UNAVAILABLE REMEDY FOR A USED MOTOR VEHICLE.—

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

“(B) REIMBURSEMENT.—

“(i) IN GENERAL.—If a dealer is in possession of a used motor vehicle and the manufacturer of that used motor vehicle has failed to make a remedy available by the date described in clause (ii), the manufacturer shall reimburse the dealer at the rate described in clause (iii) until the earlier of—

“(I) the date on which a remedy is made available by the manufacturer; and

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

“(ii) DATE DESCRIBED.—The date referred to in clause (i) is the date that is 60 days after the date described in section
30119(b) and specified by the manufacturer—

“(I) in a notification under section 30119(a)(5); or

“(II) under section 30121(c)(2).

“(iii) RATE DESCRIBED.—The rate referred to in clause (i) is a rate determined by the Secretary that is not less than 1 percent of the fair market value of the used motor vehicle per month, which shall be prorated on a daily basis for each day that the used motor vehicle is in the possession of the dealer—

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

“(II) before the date on which a remedy is made available by the manufacturer.

“(iv) LIMITATION.—The total amount of payments to a dealer under this paragraph with respect to a used motor vehicle shall not exceed the fair market value of that used motor vehicle.”; and

(2) by adding at the end the following:
“(k) Limitation on the Sale, Lease, or Loan of Used Motor Vehicles.—

“(1) Definition of dealer.—In this subsection, the term ‘dealer’ means a person that, during the 1-year period ending on the date of the sale, lease, or loan of a used motor vehicle, has sold at least 5 motor vehicles to buyers that in good faith purchased the vehicles other than for resale.

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

“(3) Exception.—Paragraph (2) shall not apply if—

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

“(i) was not available at the time of sale, lease, or loan using the means established by the Secretary under section 31301 of the Moving Ahead for Progress in the 21st Century Act (49 U.S.C. 30166 note; Public Law 112–141); and
“(ii) was not available on the website of the manufacturer;

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

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

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

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

SEC. 3. EFFECTIVE DATE.

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