

## **Recent Changes to Office of Attorney General Regulations Related to Automotive Industry Trade Practices**

In response to calls and inquiries regarding recent changes to certain Office of Attorney General (OAG) regulations related to “Automotive Industry Trade Practices,” the State Board of Vehicle Manufacturers, Dealers and Salespersons wishes to make its licensees, the regulated community and members of the public aware of the following:

On July 20, 2024, the OAG published final regulations pursuant to its authority under the Unfair Trade Practices and Consumer Protection Law. 54 Pa.B. 4122. The OAG found that motor vehicle dealers were increasingly utilizing electronic means to advertise the sale of particular motor vehicles and motor vehicle goods and services, a practice that was not explicitly captured in the Automotive Industry Trade Practices regulations’ definition of “advertisement.” The OAG further identified that the disclosures and inspections motor vehicle dealers were previously required to perform were insufficient to fully inform consumers that they were purchasing motor vehicles bearing certain unsafe conditions. The OAG made various changes to its regulations at Title 37 Pa. Code, Chapter 301, including but not limited to the following:

- Section 301.1 (definitions) has been amended so that it includes electronic means in the definition of “advertisement.”
- Section 301.2(5) (relating to written disclosures) has been amended to require that the disclosure of the enumerated conditions be provided in writing.
- Third, new Section 301.2(5.1) (relating to advertising and sales presentation requirements) is created. It directs that a motor vehicle dealer may not advertise or offer a motor vehicle for sale unless the selling motor vehicle dealer designates a certified inspection mechanic to inspect a motor vehicle not more than 30 days after it enters the motor vehicle dealer’s inventory for all conditions listed in Section 301.2(5). Thereafter, if the motor vehicle accumulates 500 miles or more while in the inventory of the selling motor vehicle dealer, the dealer must inspect the motor vehicle for the conditions listed in Section 301.2(5) not more than 30 days prior to sale, excluding the ability of the vehicle to pass a State inspection. This section does not apply to sales of motor vehicles between two motor vehicle dealers, the sales of motor vehicles pursuant to a duly authorized vehicle auction license, the sales of salvaged or nonrepairable motor vehicles bearing the applicable certificate, or the sales of motor vehicles which are located outside the Commonwealth of Pennsylvania during the entire time it is advertised or offered for sale.
- Section 301.4(9.1) clarifies that compliance with § 301.2(5) regarding written disclosures is still required notwithstanding any use of the term “AS IS” under § 301.4(9) regarding disclaiming warranty. The selling motor vehicle dealer must describe the vehicle as being sold “AS IS” and list in writing any conditions listed in § 301.2(5) that are present in the vehicle.

For further information, see the final regulations at:

<https://www.pacodeandbulletin.gov/Display/pabull?file=/secure/pabulletin/data/vol54/54-29/1016.html&search=1&searchunitkeywords=59-001>.