



PENNSYLVANIA AUTOMOTIVE ASSOCIATION

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February 14, 2024

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RE: Proposed Rulemaking – 37 PA. CODE Chapter 301



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SUMMARY: The PA Automotive Association, on behalf of the new vehicle dealers doing business in the Commonwealth, supports the intent of the proposed regulation. However, the practical implementation of the regulation as currently proposed remains problematic. Specifically, the only means of ensuring the vehicles in dealer inventories are inspected every 500 miles is the manual tracking of odometer readings every day on each vehicle (up to hundreds of vehicles) on dealer lots. Appearing below is a suggested alteration that is entirely consistent with the intent of the rulemaking, while providing the same benefit to the consumer public.

§301.2(5.1) Advertising and sales presentation requirements.

This section of the proposed rulemaking would require a dealer to inspect a motor vehicle, not more than thirty days after each time the motor vehicle accumulates 500 miles while in inventory for the conditions listed in 37 PA. Code § 302.5, except §301.2(5)(ii).

PAA supports completely the efforts of the OAG to have vehicles inspected prior to consumer sales. Our concern however is with required inspections each time the motor vehicle accumulates 500 miles while in inventory. As illustrated below, this requirement is unreasonable and dealers and their customers would be adversely affected due to the practical implementation and increased cost of complying with this regulation which will result in no additional disclosures to customers.

When new or used vehicles arrive at a new vehicle dealership, dealers safety inspect the vehicles typically within the first week of their arrival to ensure the vehicles are in a safe operating condition. Dealers will have vehicles in their inventory accumulating over 500 miles. This regulation will require dealers to manually monitor hundreds of vehicles in their inventory on a daily basis to ascertain if the vehicle accumulated over 500 miles. If the vehicle accumulates over 500 miles the dealer would be required to perform the same inspection multiple times on a vehicle to provide disclosures prior to sale. New vehicle dealers maintain an inventory of new and used vehicles that would require the manual tracking of over a million vehicles per year in Pennsylvania. There is no technology available to automate this process or alert the dealership each time a

vehicle accumulates 500 additional miles. Dealers will potentially need to hire additional personnel to manually monitor every vehicle in their inventory each day to ensure compliance which will have an enormous financial impact on dealers. It will not provide any additional disclosures to customers, and there is a much more reasonable method to provide the same disclosures to customers at the time of sale.

PAA would suggest that if the selling dealer performs a PA safety inspection on the vehicle after it comes into its inventory within the thirty-day time limit, the dealer would only need to “inspect” (as defined by the OAG) the motor vehicle again within 30 days prior to sale if the vehicle accumulates more than 500 miles while in the inventory of the selling dealer for the conditions listed in 37 PA. Code §302.5, **except §301.2(5)(iii).**

This one inspection within 30 days prior to the sale of the vehicle will provide up-to-date accurate disclosures to the customer on the condition of the vehicle and allow the customer to make an informed decision on their purchase, which is the intent of this regulatory amendment.

PAA would suggest the proposed regulation be amended as follows:

~~(5.1) (a) Except as to a sale of a motor vehicle to another motor vehicle dealer, t~~**The advertisement or offering of a motor vehicle for sale unless a certified inspection mechanic designated by the selling motor vehicle dealer has inspected the motor vehicle in accordance with 67 Pa. Code § 175:**

(i) A CERTIFIED INSPECTION MECHANIC DESIGNATED BY THE SELLING MOTOR VEHICLE DEALER HAS INSPECTED THE MOTOR VEHICLE not more than thirty days after the motor vehicle comes into the inventory of the selling motor vehicle dealer or advertiser FOR ALL CONDITIONS LISTED IN 37 PA. CODE § 301.2(5); and

(ii) THE SELLING MOTOR VEHICLE DEALER HAS INSPECTED THE MOTOR VEHICLE not more than thirty days **PRIOR TO THE SALE IF after each time the motor vehicle accumulates **more than 500 miles while in the inventory of the selling motor vehicle dealer or advertiser** FOR ALL CONDITIONS LISTED IN 37 PA. CODE § 302.5, EXCEPT §301.2(5)(iii).**

When considering the promulgation of this final form rulemaking, PAA, on behalf of all new vehicle dealers, respectfully requests that you consider the suggestions provided.

Thank you for taking our comments into consideration as these regulations are promulgated.

Respectfully,

Mark Stine
Executive Vice President,
Legislative and Public Affairs

CC: Independent Regulatory Review Commission (IRRC)
Judiciary Committees – PA General Assembly