The Commonwealth of Massachusetts

In the One Hundred and Ninety-Second General Court (2021-2022)

SENATE, November 3, 2022.

The committee on Senate Ways and Means, to whom was referred the Senate Bill expanding wheelchair warranty protections for consumers with disabilities (Senate, No. 2567), reports, recommending that the same ought to pass with an amendment substituting a new draft with the same title (Senate, No. 3136).

For the committee,
Michael J. Rodrigues

SENATE No. 3136

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Second General Court (2021-2022)

An Act expanding wheelchair warranty protections for consumers with disabilities.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- SECTION 1. Chapter 93 of the General Laws is hereby amended by striking out section 107, as appearing in the 2020 Official Edition, and inserting in place thereof the following
- Section 107. (a) As used in this section, the following words shall have the following meanings unless the context clearly indicates otherwise:-

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section:-

- "Authorized wheelchair dealer", any seller of a wheelchair that: (i) has an exclusive distribution arrangement within a specified geographic area with any person or entity that manufacturers or assembles the type of wheelchair at issue; or (ii) is designated by the person or entity that manufactures or assembles the type of wheelchair at issue to repair or accept for repair such type of wheelchair.
- "Collateral costs", expenses incurred by a consumer in connection with the repair of a nonconformity, including, but not limited to: (i) the cost to rent a wheelchair or other assistive device for mobility during the time repairs are attempted and until the receipt of a replacement

wheelchair; (ii) the cost of shipping a wheelchair that has a nonconformity to a manufacturer, lessor or authorized wheelchair dealer for repair or replacement; and (iii) out-of-pocket medical expenses for the treatment of any physical injury caused by the nonconformity in the wheelchair.

"Consumer", (i) the purchaser of a wheelchair, including purchases covered by private or public insurance, if the wheelchair was purchased from a wheelchair dealer or manufacturer for purposes other than resale; (ii) a person to whom the wheelchair is transferred for purposes other than resale, if the transfer occurs before the expiration of an express warranty applicable to the wheelchair; (iii) a person who may enforce the express warranty applicable to the wheelchair; or (iv) A person who leases a wheelchair from a wheelchair lessor under a written lease; provided, that "consumer" shall include those who have not paid all or some costs out of pocket for the purchase or lease of a wheelchair.

"Defective", having a condition of nonconformity.

"Early termination cost", an expense or obligation incurred by a wheelchair lessor as a result of both the termination of a written lease before the termination date set forth in such lease and the return of a wheelchair to a manufacturer pursuant to subparagraph (i) of paragraph (2) of subsection (c); provided, that "early termination cost" shall include a penalty for prepayment under a finance arrangement.

"Early termination savings", an expense or obligation avoided by a wheelchair lessor as a result of both the termination of a written lease before the termination date set forth in such lease and the return of a wheelchair to a manufacturer pursuant to said subparagraph (i) of said paragraph (2) of said subsection (c); provided, that "early termination savings" shall include interest charges that a wheelchair lessor would have paid to finance the wheelchair or, if the

wheelchair was not financed, the difference between the total amount for which the lease obligates the consumer during the period of the lease term remaining after the early termination and the present value of such amount at the date of the early termination.

"Express warranty", a warranty that guarantees that the wheelchair shall be free from any condition or defect which substantially impairs the use, value or safety of the wheelchair.

"Inoperable", unable to function or function safely.

"Manufacturer", a person or entity that manufactures or assembles wheelchairs and agents of that person or entity, including an authorized wheelchair dealer, an importer, a distributor, factory branch, distributor branch and any warrantors of the manufacturer's wheelchair; provided, however, that "manufacturer" shall not include a professional who fabricates, without charge, a device for use in the course of medical treatment.

"Nonconformity", a condition or defect that substantially impairs the use, value or safety of a wheelchair and which is covered by an express warranty applicable to the wheelchair or to a component of the wheelchair; provided, however, that "nonconformity" shall not include a condition or defect which results from abuse, neglect or the unreasonable and unforeseeable misuse of the wheelchair by consumer modification or alteration.

"Original wheelchair", the nonconforming wheelchair to be repaired, should it have been fully functional.

"Reasonable attempt to repair", any of the following occurring to a wheelchair after the consumer has reported the nonconformity and made the wheelchair available to the manufacturer for repair within the applicable term of warranty period:(i) a nonconformity had been repaired

not less than 2 times by the manufacturer, wheelchair lessor or any of the manufacturer's authorized wheelchair dealers and the nonconformity continues; or(ii) the wheelchair is out of service for an aggregate of not less than 21 days because of a warranty nonconformity.

"Replacement wheelchair", a properly working wheelchair that is identical to the nonconforming wheelchair or that is comparable in all functional capabilities to the original wheelchair provided by the manufacturer, wheelchair lessor or manufacturer's authorized wheelchair dealer to the consumer in place of the nonconforming wheelchair.

"Temporary loaner wheelchair", a wheelchair provided to the consumer that: (i) is free of charge; (ii) is in good working order; (iii) is able to perform the most essential functions of the original device, in light of the disabilities of the user; and (iv) does not have any differences from the original device that create a threat to health or safety; provided, however, that a "temporary loaner wheelchair" need not be new or identical to or have functional capabilities equal to or greater than those of the original wheelchair.

"Wheelchair", a manual or motorized wheeled device that enhances the mobility or positioning of an individual with a disability.

"Wheelchair dealer" an individual or entity that is in the business of selling wheelchairs, including, but not limited to, a manufacturer who sells wheelchairs directly to consumers.

"Wheelchair lessor" an individual or entity that leases a wheelchair to a consumer, or who holds the lessor's rights, under a written lease.

(b)(1) A manufacturer who sells or leases a wheelchair to a consumer, either directly or through a wheelchair dealer, shall furnish the consumer with an express warranty for the

wheelchair; provided, however, that the duration of the express warranty shall be not less than 2 years after first delivery of the wheelchair to the consumer.

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- (2) At the time of purchase or lease of a wheelchair, the manufacturer must provide directly to the consumer a statement, written in not less than 14-point all capital boldfaced type on a separate piece of paper, or in such other form as the consumer may access, including the applicable warranty period of not less than 2 years from the date of first delivery, in substantially the following form:
- 85 "IMPORTANT: IF THIS WHEELCHAIR IS DEFECTIVE WITHIN THE PERIOD OF YOUR WARRANTY, [INSERT WARRANTY PERIOD, NOT LESS THAN 2 YEARS FROM 86 87 THE DATE OF FIRST DELIVERY], YOU MAY BE ENTITLED UNDER STATE LAW TO 88 REPLACEMENT OF THE WHEELCHAIR OR A REFUND OF ITS PURCHASE PRICE. 89 HOWEVER, TO BE ENTITLED TO A REFUND OR REPLACEMENT, YOU MUST FIRST 90 NOTIFY THE MANUFACTURER, THE WHEELCHAIR LESSOR OR THE WHEELCHAIR 91 DEALER OF THE NON-CONFORMITY AND GIVE THE MANUFACTURER OR AUTHORIZED WHEELCHAIR DEALER AN OPPORTUNITY TO REPAIR THE 92 93 WHEELCHAIR IN ACCORDANCE WITH SECTION 107 OF CHAPTER 93 OF THE 94 MASSACHUSETTS GENERAL LAWS.
- 95 IF THIS WHEELCHAIR IS BOTH DEFECTIVE AND INOPERABLE WITHIN THE
 96 PERIOD OF YOUR WARRANTY, THE MANUFACTURER OR AUTHORIZED
 97 WHEELCHAIR DEALER MUST ASSESS THE WHEELCHAIR NOT LESS THAN 3
 98 BUSINESS DAYS FOLLOWING NOTICE AND, IF NECESSARY, PROVIDE A

- (3) If the manufacturer, lessor or wheelchair dealer fail to provide the statement of warranty as required pursuant to this subsection, the manufacturer shall be in violation of this subsection and the minimum express warranty period shall be extended to 3 years.
- (c)(1)(i) If a new wheelchair does not conform to an applicable express warranty and the consumer reports such nonconformity to the manufacturer, a wheelchair lessor or a wheelchair dealer and such consumer makes the wheelchair available for repair prior to the expiration of the applicable warranty period from the date of first delivery, the nonconformity shall be repaired at no charge to the consumer. It shall be presumed that the consumer has made the wheelchair available to the manufacturer or authorized wheelchair dealer for repair if such consumer allows the manufacturer or dealer to take it from the consumer's home or other location where the user customarily uses the wheelchair.
- (ii) If a wheelchair covered by a manufacturer's warranty has a nonconformity to which the warranty is applicable and is made available by a consumer to the manufacturer or authorized wheelchair dealer for the repair of the nonconformity, the manufacturer shall cover all collateral costs and shall provide directly to the consumer, for the duration of the repair period and as selected by the consumer: (A) a temporary loaner wheelchair; or (B) reimbursement for the cost incurred by the consumer for renting a wheelchair while the original wheelchair is assessed and repaired. If the original wheelchair within the period of the warranty is both defective and inoperable, the manufacturer or authorized wheelchair dealer must assess the wheelchair not less than 3 business days following notice from the consumer and, if necessary, provide a temporary

loaner wheelchair to the consumer not less than 4 business days following notice from the consumer for the expected duration of repairs provided under the warranty. The manufacturer or authorized dealer shall provide the consumer with an estimated timeframe for assessment and, following assessment, any repairs.

- (iii) Manufacturers shall be required to fill all repair and replacement orders for wheelchairs under warranty pursuant to this section from their own inventory or have a written subcontract for the purchase of items necessary to fill repair and replacement orders; provided, however, that the subcontract shall be in writing and contain, at a minimum: (A) names, addresses, phone numbers and contact information for both entities; (B) the contract term start and end dates; (C) a description of the wheelchairs covered under the subcontract and the cost of each item; (D) signatures of both parties, including signature dates and position titles; (E) an established credit limit that is reasonable, based on the value of the products and services to be provided by the contractor; and (F) a provision requiring shipping of parts, whenever feasible, by overnight mail.
- (iv) The manufacturer shall keep written record of all repair attempts made, including, but not limited to: (A) the date a repair was requested; (B) the type of repair requested; (C) the date the repair attempt began; (D) the length of the repair attempt; (E) collateral costs covered; (F) the results of the repair attempt; and (G) the total number of repair attempts made.
- (2)(i) If, after a reasonable attempt to repair, the nonconformity is not repaired, the manufacturer shall:
- (A) at the direction of a consumer other than one who leases a wheelchair: (1) accept return of the wheelchair, issue a replacement wheelchair and refund any collateral costs; or (2)

accept return of the wheelchair and refund to the consumer and to any holder of a perfected security interest, as their interest may appear, the full purchase price and any finance charge amount paid by the consumer at the point of sale and any collateral costs, less a reasonable allowance for use; provided, however, that a reasonable allowance for use shall not exceed the amount obtained by multiplying the full purchase price of the wheelchair by a fraction, the denominator of which shall be 1,825 and the numerator of which shall be the number of days that the wheelchair was in the consumer's possession before the consumer first reported the nonconformity to the wheelchair dealer; or

- (B) at the direction of a consumer who leases a wheelchair, accept return of the wheelchair, refund to the wheelchair lessor and to any holder of a perfected security interest, as their interest may appear, the current value of the written lease and refund to the consumer the amount such consumer paid under the written lease and any collateral costs, less a reasonable allowance for use; provided, however, that a reasonable allowance for use shall not exceed the amount obtained by multiplying the total amount for which the written lease obligates the consumer by a fraction, the denominator of which shall be 1,825, or the number of days of the lease, whichever number is greater, and the numerator of which shall be half of the number of days that the consumer possessed the wheelchair before first reporting the nonconformity to the manufacturer, wheelchair lessor or wheelchair dealer.
- (ii) The current value of the written lease shall be the total amount for which that lease obligates the consumer during the period of the lease remaining after its early termination, plus the wheelchair dealer's early termination costs and the value of the wheelchair at the lease expiration date if the lease sets forth that value, less the wheelchair lessor's early termination savings.

(3) In order to receive a replacement wheelchair or a refund due under clause (A) of subparagraph (i) of paragraph (2), a consumer described thereunder shall offer to transfer possession of the wheelchair having the nonconformity to its manufacturer. Not later than 30 days after such offer, the manufacturer shall provide the consumer with the replacement wheelchair or refund. When the manufacturer provides the replacement wheelchair or refund, the consumer shall make the wheelchair having the nonconformity available for return to the manufacturer, along with any endorsements necessary to transfer legal possession to the manufacturer.

- (4)(i) In order to receive a refund due under clause (B) of subparagraph (i) of paragraph (2), a consumer described thereunder shall offer to return the wheelchair having the nonconformity to its manufacturer. Not later than 30 days after such offer, the manufacturer shall provide the refund to the consumer. When the manufacturer provides the refund, the consumer shall make the wheelchair having the nonconformity available for return to the manufacturer.
- (ii) To receive a refund due under clause (B) of subparagraph (i) of paragraph (2), a wheelchair lessor shall offer to transfer possession of the wheelchair having the nonconformity to its manufacturer. No later than 30 days after such offer, the manufacturer shall provide the refund to the wheelchair lessor. When the manufacturer provides the refund, the wheelchair lessor shall provide to the manufacturer any endorsements necessary to transfer legal possession to the manufacturer.
- (iii) No person may enforce the lease against the consumer after such consumer exercises rights pursuant to clause (B) of subparagraph (i) of paragraph (2).

(iv) No wheelchair returned by a consumer or wheelchair lessor in the commonwealth, or by a consumer or wheelchair lessor in another state under a similar law of that state, may be resold or leased in the commonwealth unless full disclosure of the reasons for such return has been made to a prospective buyer or lessee.

- (d) Each consumer shall have the option of submitting any dispute arising under this section, upon the payment of a prescribed filing fee, to an alternate arbitration mechanism established pursuant to regulations promulgated hereunder by the secretary of consumer affairs and business regulation. Upon application of the consumer and payment of the appropriate filing fee, all manufacturers shall submit to such alternative arbitration. Such alternate arbitration shall be conducted by a professional arbitrator or arbitration firm appointed by and under regulations established by the attorney general. Such mechanism shall ensure the personal objectivity of its arbitrators and the right of each party to present its case, be in attendance during any presentation made by the other party and rebut or refute such presentation.
- (e) The attorney general is hereby authorized to bring an action under section 4 of chapter 93A to enforce this section and to obtain restitution, civil penalties, injunctive relief and any other relief awarded pursuant to said chapter 93A. Nothing contained in this section shall limit any rights or remedies available to a consumer under any other law. Any waiver by a consumer of rights under this section shall be void.
- (f) A consumer may bring a private right of action under chapter 93A to enforce this section. A violation of this section shall constitute an unfair or deceptive act under said chapter 93A. In addition to pursuing any other remedy, including relief under said chapter 93A, a consumer may bring an action to recover for damages caused by a violation of this section. The

court shall award a consumer who prevails in such an action twice the amount of any pecuniary loss, together with costs, disbursements and reasonable attorney fees and any equitable relief that the court deems is appropriate.

(g) Annually, not later than January 1, the office of consumer affairs and business regulation shall report to the joint committee on children, families and persons with disabilities and the joint committee on consumer protection and professional licensure on the operational status of the wheelchair alternate arbitration mechanism, including, but not limited to, data regarding the number of complaints filed through the alternate arbitration mechanism and the aggregate results of such arbitration procedures.

SECTION 2. Not later than 90 days after the effective date of this act, the secretary of consumer affairs and business regulation shall promulgate regulations necessary to carry out this act.