SENATE DOCKET, NO. 2053 FILED ON: 1/17/2025

SENATE . . . . . No. 2434

The Commonwealth of Massachusetts

PRESENTED BY:

Jacob R. Oliveira

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to motor vehicle leasing parity.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Jacob R. Oliveira	*Hampden, Hampshire and Worcester*

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SENATE . . . . . No. 2434

By Mr. Oliveira, a petition (accompanied by bill, Senate, No. 2434) of Jacob R. Oliveira for legislation relative to motor vehicle leasing parity. Transportation.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. *2284* OF 2023-2024.]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

An Act relative to motor vehicle leasing parity.

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 90 of the general laws, as so appearing in the 2022 edition, shall be amended by striking section 7N and replacing it with the following section:-

Section 7N. Notwithstanding any disclaimer of warranty, a motor vehicle contract of sale or lease may be voided by the buyer or lessee if the motor vehicle fails to pass, within seven days from the date of such sale or lease, the periodic staggered inspection at an inspection station licensed pursuant to section seven W; provided, that the defects which are the reasons for the failure to issue a certificate of inspection were not caused by the abusive or negligent operation of the motor vehicle or by damage resulting from an accident or collision occurring after the date of the sale or lease; and provided, further, that the cost of repairs necessary to permit the issuance of a certificate of inspection exceeds ten per cent of the purchase price of the motor vehicle, or in

11 the case of a leased vehicle the exceeds ten percent total amount of payments due by the
12 consumer to the lessor over the full term of the lease.

13 In order to void a motor vehicle sale or lease under this section the buyer or lessee shall,
14 within fourteen days from the date of sale or lease, notify the selling or leasing dealer of his
15 intention to do so, deliver the motor vehicle to the selling or leasing dealer, provide the selling or
16 leasing dealer with a written statement signed by an authorized agent of such inspection station
17 stating the reasons why the motor vehicle failed to pass the safety or combined safety and
18 emissions inspection and an estimate of the cost of necessary repairs. The buyer or lessee shall
19 be entitled to a refund of his purchase price unless the buyer or lessee and the selling or leasing
20 dealer agree in writing that the selling or leasing dealer may make the necessary repairs at his
21 own cost and expense within a reasonable period of time thereafter. This section shall apply only
22 to motor vehicles purchased for the immediate personal or family use of the buyer or lessee.

23 "Lessee" means any person who acquires the right to possession of and use of a motor
24 vehicle under a lease agreement for a term of not less than one year.

25 SECTION 2. Section 7N1/4 of chapter 90 of the general laws, as so appearing in the 2014
26 edition, shall be amended by striking subsection 1 and replacing it with the following
27 subsection:-

28 (1) For the purposes of this section the following words shall have the following
29 meanings:-

30 "Business day", Monday to Friday, inclusive, except for state or federal holidays.

31 "Buyer" includes a lessee of a used motor vehicle

32 “Consumer”, a buyer or lessee, other than for purposes of resale, of a motor vehicle, any
33 person to whom such motor vehicle is transferred or leased during the period of any express or
34 statutory warranty under this section applicable to such motor vehicle, and any other person
35 entitled by the terms of such warranty to enforce its obligations.

36 “Dealer”, any person engaged in the business of selling or leasing, offering for sale or
37 lease, or negotiating the retail sale or retail lease of used motor vehicles or selling motor vehicles
38 as broker or agent for another, including the officers, agents and employees of such person and
39 any combination or association of dealers, but not including a bank or other financial institution,
40 or the commonwealth, its agencies, bureaus, boards, commissions, authorities, nor any of its
41 political subdivisions. A person shall be deemed to be engaged in the business of selling or
42 leasing used motor vehicles if such person has sold or leased more than three used motor
43 vehicles in the preceding twelve months.

44 “Lessee”, any consumer who acquires the right to possession of and use of a motor
45 vehicle under a lease agreement for a term of not less than one year.

46 “Motor vehicle” or “vehicle”, any motor vehicle as defined in section one, sold, leased or
47 replaced by a dealer or manufacturer, except that it shall not include auto homes, vehicles built
48 primarily for off-road use or any vehicle used primarily for business purposes.

49 “Private seller”, any person who is not a dealer and who offers to sell or sells a used
50 motor vehicle to a consumer.

51 “Purchase price”, the total of all payments made for the purchase or lease of a vehicle,
52 including but not limited to any finance charges, registration fees, payments made for credit life,

53 accident, health, and damage insurance, and collision and related comprehensive insurance
54 coverages and service contracts and the value of a trade-in.

55 "Repurchase price", the purchase price, as defined above, less any cash award that was
56 made by the dealer in an attempt to resolve the dispute and was accepted by the consumer, and
57 less any refunds or rebates to which the consumer is entitled, plus any incidental damages not
58 previously reimbursed, including but not limited to the reasonable costs of towing from point of
59 breakdown up to thirty miles to obtain required repairs or to return the vehicle under this section,
60 and the reasonable costs of obtaining alternative transportation during the applicable warranty
61 period after the second day following each such breakdown not to exceed fifteen dollars vehicle
62 rental charges for each day in which the cost of such alternative transportation is reimbursable.

63 "Seller" other than private seller shall include the lessor of a used motor vehicle.

64 "Used motor vehicle" or "used vehicle", any vehicle driven more than the limited use
65 necessary in moving or road testing a new vehicle prior to delivery to a consumer, including a
66 demonstrator vehicle, except that it shall not include auto homes, vehicles built primarily for off
67 road use, motorcycles, or any vehicle used primarily for business purposes.

68 SECTION 3. Section 7N1/4 of chapter 90 of the general laws is further amended by
69 adding after the word "sold," in line 49, the following words:- ", or leased".

70 SECTION 4. Section 7N1/4 of chapter 90 of the general laws is further amended by
71 adding after the word "sold," in line 180, the following words:- "or leased".

72 SECTION 5. Section 7N1/4 of chapter 90 of the general laws is further amended by
73 adding after the word "sold," in line 276, the following words:- "or leased".

74 SECTION 6. Chapter 93 of the general laws, as appearing in the 2014 edition, is hereby
75 amended by adding after section 114 the following section:-

76 Section 115. A motor vehicle dealer shall not assess or represent the value of a motor
77 vehicle in a lease agreement in an amount greater than what the dealer has advertised or
78 otherwise represented as that vehicle's purchase price. A dealer's failure to comply with the
79 provisions of this section shall constitute an unfair or deceptive act under the provisions of
80 chapter 93A.

81 SECTION 7. Chapter 140D of the general laws, as appearing in the 2014 edition, is
82 hereby amended by adding after section 29 the following sections:-

83 Section 29A. The commissioner shall prescribe rule and regulations consistent with the
84 provisions of the portion of the federal Truth in Lending Act known as the Consumer Leasing
85 Act, 15 U.S.C. sections 1667 through 1667e, the bureau's Regulation M, 12 C.F.R. section 1013
86 et seq., the official staff commentary or a disclosure or model form and a lessor upon whom such
87 rules and regulations impose duties or obligations, shall make or give to a consumer the
88 disclosures, information and notices required of him by such rules and regulations, and such
89 disclosures, information and notices shall constitute compliance with the provisions of this
90 chapter.

91 Lessors in the commonwealth shall comply with the federal Consumer Leasing Act, 15
92 U.S.C. sections 1667 through 1667e, and regulations implemented by the bureau unless and until
93 the commissioner promulgates regulations that are substantially similar to or afford more
94 protection to consumers than those issued by the bureau.

95 The term “creditor” as used in sections 32 and 33 of this chapter shall include a lessor as
96 defined in this section and rules and regulations made thereunder.

97 SECTION 8. Section 32 of chapter 140D of the general laws, as so appearing in the 2014
98 edition, shall be amended by adding, in paragraph 2, after the word “transaction,”, the following
99 words:- subsection 1 and replacing it with the following subsection:- “or in the case of a
100 consumer lease under section 29A, 25 percent of the total amount of monthly payments under the
101 lease”.

102 SECTION 9. Section 32 of chapter 140D of the general laws is further amended by
103 adding after the word “thirty-one,” in line 46, the following words:- “or sections twenty-nine A”.

104 SECTION 10: Chapter 231 of the general laws, amended by striking out section 85J and
105 replacing it with the following section:-

106 Whoever, by deceit or fraud, sells or leases personal property shall be liable in tort to a
107 purchaser or lessee in treble the amount of damages sustained by such purchaser or lessee.

108 SECTION 11. Chapter 255 of the general laws, as so appearing in the 2014 edition, shall
109 be amended by striking out section 13I and replacing it with the following section:-

110 Section 13I. For the purposes of this section and section 13J

111 “Collateral” shall mean consumer goods secured or motor vehicles leased by a consumer
112 credit transaction which are located in commonwealth at the time of default.

113 “Consumer credit transaction” shall include a consumer lease of motor vehicle for a term
114 of more than one year;

115 “creditor” and “secured creditor” shall include the lessor of a motor vehicle; and

116 “debtor” shall include a consumer lessee of a motor vehicle.

117 (a) In any consumer credit transaction involving, or loan that is secured by, a non-
118 possessory security interest in consumer goods a provision relating to default is enforceable only
119 to the extent that the default is material and consists of the debtor’s failure to make one or more
120 payments as required by the agreement, or the occurrence of an event which substantially
121 impairs the value of the collateral.

122 (b) After a default under a consumer credit transaction by a debtor the secured creditor
123 may not bring an action against the debtor or proceed against the collateral until he gives the
124 debtor the notice required by this section. Said notice shall be deemed to be delivered when
125 delivered to the debtor or when mailed to the debtor at the debtor’s address last known to the
126 creditor. If a debtor cures a default after receiving such notice and again defaults, the creditor
127 shall give another notice before bringing action or proceeding against the collateral with respect
128 to the subsequent default, but no notice is required in connection with a subsequent default if,
129 within the period commencing on the date of the consumer credit transaction subject to this
130 section and the date of the subsequent default, the debtor has cured a default after notice three or
131 more times.

132 (c) The notice shall be in writing and shall be given to the debtor ten days or more after
133 the default. The notice shall conspicuously state the rights of the debtor upon default in
134 substantially the following form:

135 The heading shall read:' 'Rights of Defaulting Consumer under Massachusetts Law." The
136 body of the notice shall read: "You may cure your default in (describe transaction in a manner

137 enabling debtor to identify it) by paying to (name and address of lessor or creditor) (amount due)
138 before (date which is at least twenty-one days after notice is mailed).

139 If you pay this amount within the time allowed you are no longer in default and may
140 continue with the transaction (lease or loan) as though no default had occurred.

141 (d) No court shall enter a deficiency judgment against a debtor which includes a finance
142 charge or insurance premiums allocable to installments due after repossession. A debtor whose
143 goods have been repossessed shall not be liable in a civil action for a deficiency unless the
144 secured party files an affidavit signed either by the purchaser at the sale or by the secured party
145 stating the price for which the goods were sold and the date and place of sale. Such affidavit
146 shall be filed with the complaint.

147 (e) Unless the secured creditor has first notified the debtor that he has elected to
148 accelerate the unpaid balance of the obligation because of default, brought action against the
149 debtor, or proceeded against the collateral, the debtor may cure a default consisting of a failure to
150 pay money by tendering the amount of all unpaid sums due at the time of tender, without
151 acceleration, plus any unpaid delinquency or deferral charges. Cure shall restore the debtor to his
152 rights under the agreement as though the defaults cured have not occurred, subject to the
153 provisions of subsection (b).

154 SECTION 12. Chapter 255 of the general laws, as so appearing in the 2014 edition, shall
155 be amended by striking out section 13J and replacing it with the following section:-

156 Section 13J. (a) Subject to the provisions of this section and section 13I, a secured
157 creditor under a consumer credit transaction may take possession of collateral. In taking
158 possession the secured creditor under a consumer credit transaction may proceed without a prior

159 hearing only if the default is material and consists of the debtor's failure to make one or more
160 payments as required by the agreement or the occurrence of an event which substantially impairs
161 the value of the collateral, and only if possession can be obtained without use of force, without a
162 breach of peace and, unless the debtor consents to an entry, at the time of such entry, without
163 entry upon property owned by, or rented to the debtor.

164 (b) Except as provided in subsection (a), a creditor under a consumer credit transaction
165 may proceed against collateral only after a prior hearing. In any proceeding where possession of
166 the collateral is part of the relief sought by a creditor no court shall allow a secured creditor or
167 lessor to take possession of collateral until the right of the creditor or lessor to take possession
168 has been determined at a hearing at which the consumer has an opportunity to be heard, having
169 been notified in writing of such hearing at least seven days in advance thereof.

170 (c) The consumer under a secured consumer credit transaction may redeem the collateral
171 from the creditor or lessor at any time within twenty days of the creditor or lessor's taking
172 possession of the collateral, or thereafter until the creditor or lessor has either disposed of the
173 collateral, entered into a contract for its disposition, or gained the right to retain the collateral.

174 (d) The creditor or lessor may after gaining possession sell or otherwise dispose of the
175 collateral. Unless displaced by the provisions of this section and section thirteen I, the rights and
176 obligations of the parties, including redemption and disposition of the collateral shall be
177 governed by the provisions of Part 6 of Article 9 of chapter 106, including consumer leases of
178 motor vehicles, to the extent applicable. Notwithstanding the provisions in Part 6 of Article 9 of
179 chapter 106, if, in connection with a consumer credit transaction which involves an unpaid
180 balance of two thousand dollars or less and which is at the time of default secured by a non-

181 possessory security interest in consumer goods, the creditor or lessor takes possession of or
182 accepts surrender of the collateral, the consumer shall not be liable for any deficiency. If the
183 agreement between the creditor or lessor and consumer provides that the consumer is to obtain
184 insurance protecting the collateral against fire, theft, collision or other hazards and naming the
185 creditor or lessor as loss payee and if, prior to the repossession or surrender of the collateral, loss
186 or damage occurs which would give rise to insurance proceeds under the terms of the policy in
187 force, then nothing in this section shall be deemed to limit the creditor or lessor's rights to so
188 much of the insurance proceeds as does not exceed the fair market value of the collateral existing
189 just prior to the loss or damage and, if insurance as required by the agreement is not in force at
190 the time of the loss or damage, nothing in this section shall be deemed to limit the creditor or
191 lessor's rights in proceeding against any third party who is responsible for the loss or damage in
192 the name of the consumer or otherwise. For the purposes of this section the unpaid balance of a
193 consumer credit transaction shall be that amount which the consumer would have been required
194 to pay upon prepayment.

195 (e) (1) If the unpaid balance of the consumer credit transaction at the time of default was
196 two thousand dollars or more the creditor or lessor shall be entitled to recover from the consumer
197 the deficiency, if any, resulting from deducting the fair market value of the collateral from the
198 unpaid balance due and shall also be entitled to any reasonable repossession and storage costs,
199 provided he has complied with all provisions of this section.

200 (2) In a proceeding for a deficiency the fair market value of the collateral shall be a
201 question for the court to determine. Periodically published trade estimates of the retail value of
202 goods shall, to the extent they are recognized in the particular trade or business, be presumed to
203 be the fair market value of the collateral.

204 (f) Any secured creditor or lessor obtaining possession of a motor vehicle under the
205 provisions of this section shall, within one hour after obtaining such possession, notify the police
206 department of the city or town in which such possession occurred, giving such police department
207 a description of the vehicle involved.

208 SECTION 13. Sections 1 through 9 shall not apply to leases in existence before the
209 effective date of this Act. However, such sections shall apply when, after the effective date of
210 this Act, a consumer lease is renegotiated by the same lessee for the same motor vehicle.

211 SECTION 14. Sections 10 and 11 shall not apply to leases in default before the effective
212 date of this Act. However, such sections shall apply where a lease in default before the effective
213 date of this Act at is cured, and then goes into default again after the effective date of this Act.