

Public Law 99-579
99th Congress

An Act

To amend section 408 of the Motor Vehicle Information and Cost Savings Act to strengthen, for the protection of consumers, the provisions respecting disclosure of motor vehicle mileage when motor vehicles are transferred.

Oct. 28, 1986

[S. 475]

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

Truth in Mileage
Act of 1986.
State and local
governments.
15 USC 1901
note.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Truth in Mileage Act of 1986".

SEC. 2. MOTOR VEHICLE ODOMETER MODIFICATIONS.

(a) TRANSFERS OF MOTOR VEHICLES. — Section 408 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1988) is amended by adding at the end the following:

"(d)(1)(A) Any motor vehicle the ownership of which is transferred may not be licensed for use in any State unless the transferee, in submitting an application to a State for the title upon which such license will be issued, includes with such application the transferor's title and, if that title contains the space referred to in paragraph (2)(A)(iii), a statement, signed and dated by the transferor, of the mileage disclosure required under subsection (a).

"(B) This paragraph shall not apply to any transfer of ownership of a motor vehicle which has not been licensed before the transfer.

"(2)(A) Any motor vehicle the ownership of which is transferred may not be licensed for use in any State unless the title which is issued by the State to the transferee following such transfer —

"(i) is set forth by means of a secure printing process (or other secure process);

"(ii) indicates the mileage disclosure required to be made under subsection (a);
and

"(iii) contains a space for the transferee to disclose (in the event of a future transfer) the mileage at the time of such future transfer and to sign and date such disclosure.

"(B) The requirements of subparagraph (A) shall not be construed to require a State to verify, or preclude the State from verifying, the mileage information contained in the title.

"(e)(1) In the case of any leased motor vehicle, the rules under subsection (a) shall require written disclosure regarding mileage to be made by the lessee to the lessor upon the lessor's transfer of ownership of the leased motor vehicle.

"(2) Under such rules, the lessor of a leased motor vehicle shall provide written notice to the lessee regarding —

"(A) such mileage disclosure requirements, and

"(B) the penalties for failure to comply with them.

"(3) The lessor shall retain the disclosures made by any lessee with respect to any motor vehicle under paragraph (1) for a period of at least 4 years following the date the lessor transfers that vehicle.

"(4) For purposes of this section, if the lessor transfers ownership of any leased motor vehicle without obtaining possession of such

vehicle, the lessor may, in making the disclosure required by subsection (a), indicate on the title the mileage disclosed by the lessee under paragraph (1) unless the lessor has reason to believe that such disclosure by the lessee does not reflect the actual mileage of the vehicle.

Regulations.

"(f)(1) The requirements of subsections (d) and (e)(1) respecting the disclosure of motor vehicle mileage when motor vehicles are transferred or leased shall apply in a State unless the State has in effect alternate motor vehicle mileage disclosure requirements approved by the Secretary. The Secretary may promulgate regulations establishing procedures for the consideration and approval of such alternate requirements.

"(2) The Secretary shall approve alternate motor vehicle mileage disclosure requirements submitted by a State unless the Secretary determines that such requirements are not consistent with the purpose of the disclosure required by subsection (d) or (e), as the case may be.

Records.

"(g) If any motor vehicle is sold at an auction, the auction company which conducts such auction shall establish and maintain for a period of at least 4 years following the date of such sale the following records:

15 USC 2021,
15 USC 1381
note.

"(1) The name of the most recent owner of the motor vehicle (other than the auction company) and the name of the buyer of the motor vehicle.

"(2) The vehicle identification number of the motor vehicle required under title VI of this Act or the National Traffic and Motor Vehicle Safety Act of 1966.

"(3) The odometer reading on the date of which the auction company took possession of the motor vehicle."

(b) DEFINITIONS. — Section 402 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1982) is amended by adding at the end the following:

"(6) The term 'title' means the certificate of title or other document issued by the State indicating ownership.

"(7) The term 'leased motor vehicle' means any motor vehicle which is leased to a person for a term of at least 4 months by a lessor who has leased 5 or more vehicles in the past 12 months.

"(8) The term 'auction company' means any person who takes possession (whether through consignment or bailment or through any other arrangement) of a motor vehicle owned by another person for purposes of selling such motor vehicle at an auction."

15 USC 1988
note.

(c) EFFECTIVE DATES. —

(1) IN GENERAL. — Except as provided in paragraph (2), subsections (d), (e), (f), and (g) of section 408 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1988), as added by subsection (a) of this section, shall apply with respect to motor vehicles which are transferred after the date 30 months after the date of the enactment of this Act.

(2) REVISION OF STATE LAWS TO CONFORM TO AMENDMENTS.—

(A) TECHNICAL ASSISTANCE.—The Secretary of Transportation shall, upon application, assist a State in revising its laws to comply with the requirements of section 408 (d) (1) and (2) of the Motor Vehicle Information and Cost Savings Act.

Ante, p. 3309.
Federal
Register,
publication.

(B) EXTENSION OF TIME.—If any State requires time, in addition to the period prescribed by paragraph (1) of this

subsection, to revise its laws to achieve such compliance, the Secretary may, upon the request of such State, grant, by notice published in the Federal Register, the State such reasonable additional time as the Secretary determines is necessary to achieve such compliance. The Secretary shall include in the Federal Register notice the reasons for granting additional time. In granting additional time, the Secretary shall ensure that the State is making reasonable efforts to achieve such compliance.

(3) MOTOR VEHICLE DEFINED. — For purposes of this subsection, the term "motor vehicle" has the same meaning as when used in the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 and following).

SEC. 3. VIOLATION OF ODOMETER REQUIREMENTS.

(a) CIVIL PENALTY. — Section 412(a) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1990b) is amended by striking out "\$1,000" and inserting in lieu thereof "\$2,000".

(b) CRIMINAL PENALTY. — Section 413(a) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1990c) is amended by striking out "not more than one year," and inserting in lieu thereof "not more than three years,".

Approved October 28, 1986.

LEGISLATIVE HISTORY — S. 475 (H.R. 780):

SENATE REPORTS: No. 99-47 (Comm. on Commerce, Science, and Transportation).
CONGRESSIONAL RECORD:

Vol. 131 (1985): Dec. 13, considered and passed Senate.

Vol. 132 (1986): Oct. 6, H.R. 780 considered and passed House; proceedings vacated and S. 475, amended, passed in lieu.

Oct. 8, Senate concurred in House amendments.