Loyola Consumer Law Review

Volume 5 | Issue 2 Article 5

1993

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1992 Energy Bill Barrels Through

In October 1992, Congress passed the Comprehensive Energy Policy Bill designed to reduce American dependence on foreign fuel. Congress sought to cut imports of foreign oil by promoting the use of, among other things, alternative fuel vehicles, increasing competition in the wholesale electricity market, paring down the licensing requirements of nuclear power plants, and offering economic incentives for renewable energy sources and domestic oil.

The bill allows an increase of the Strategic Petroleum Reserves and allows the President to use these reserves in emergency price situations. The bill is haled as a bipartisan effort to provide the nation with its first comprehensive fuel legislation since 1978. President Bush urged lawmakers to enact the bill before the current session of Congress expired.

The Department of Energy estimates that the bill could reduce oil imports by almost a million and a half barrels a day by the year 2000, and almost five million barrels a day by the year 2010. The potential overall savings to consumers as a result of greater competition have been measured at close to $250 billion on electric bills for the next fifteen years. Estimated savings per household amount to $750. **Comprehensive Energy Bill of 1992, Pub. L. No. 102-486; H.R. 776, 102d Cong. 1st Sess. (1992).** ❖

Recent Legislative Activity is prepared by the Research Editor, William X. Elward. A limited number of statutes appearing here are available for a $5 copying charge. Please be specific (include volume number, issue number, and statute cite) when ordering. Send requests to: Managing Editor, *Loyola Consumer Law Reporter*, One East Pearson Street, Chicago, Illinois 60611.

Sellers of New Cars Required to Post Bumper Strength

Any automobile manufactured after January 1993 and sold in the state of New York must have a sticker that discloses the tested speed at which the bumper of the car sustains minimal damage and the car body sustains no damage. The seller must affix a readily visible sticker on the window near the price sticker. A seller who is found guilty of a violation without just cause can be fined up to $50 per vehicle.

Currently, federal law requires only that the body of the vehicle sustain no damage when involved in a collision at 2 miles per hour. Manufacturers need only provide the speed at which the collision will damage the body of the car. The disclosure law does not require greater bumper strength. However, the bill is intended to encourage manufacturers to produce stronger bumpers.

Some manufacturers, such as Honda, already exceed the federal requirement, but car buyers cannot tell whether the bumpers meet the federal minimum by looking at the vehicle. According to the Insurance Institute for Highway Safety, about 20 percent of all auto damage claims arise out of accidents at parking lots, when one of the vehicles is invariably standing still. **N.Y. Veh. & Traf. §416(a) (Consol. 1992).** ❖

Increase in Minivan Tariff Proposed

Consumers purchasing minivans may be taxed ten times higher under new legislation before Congress. Congress is considering a proposed tariff increase on minivans from 2.5 percent to 25 percent, as part of tax legislation. The House, on July 31, 1992, passed a bill that reclassifies some multipurpose minivans as trucks. Under this definition, which has not yet been enacted as law, the tariff on the vans would increase tenfold.

Opponents of the legislation argue that minivans should not be equated with trucks for tax purposes because these vehicles are mainly purchased by families. Also, the effect of the tariff would be to discourage purchases of new minivans since the price of minivans made in the United States could rise in price as much as $3,800. While the tax could be added on to any tax proposal, the most recent version of this proposal was found in **H.R. 11, 102d Cong., 1st Sess. (1992).** ❖

Senate Weighs Tort Reform

In a pitched battle between consumer advocates and product manufacturers, Congress could be the referee that satisfies no one. The Product Liability Fairness Bill marks a federal attempt to legislate tort reform, one of the hottest issues in the recent presidential campaign. The proposed law has gone through several versions, including one version that provided a defense for products deemed inherently dangerous. This feature has been deleted from the latest bill.

The most recent version includes a uniform standard for punitive damages, under which a plaintiff would have to show a conscious flagrant indifference for public safety. Manufacturers that met government standards for their products would have a defense, unless they had fraudulently withheld information in order to get the approval.

Opponents of the bill argue that one provision, the elimination of joint and several liability for non-economic damages such as pain and suffering, could penalize women, children, and those with lesser paying jobs. The greater part of non-economic damages is loss of wages, and the ability of plaintiffs to go after all defendants for non-economic recovery helps close the gap in recovery for those earning less or not working at all. Congressional proponents of the legislation are concerned about the bill's chances now that the proposed reform has been made into a political issue. **S. 640, 102d Cong., 1st Sess. (1992).** ❖

Federal Legislation Aimed at Car-Jacking

In response to the alarming increase in car thefts, the House Energy and Commerce Committee approved the Anti-Car Theft Act of 1992. According to insurance industry statistics, an automobile is stolen in the United States every nineteen seconds. In 1989, consumers spent $365 million dollars to protect against car theft. The Anti-Car Theft Act would create national computer databases to track stolen cars and make armed auto theft, or car-jacking, a felony carrying sentences of up to twenty-five years.

Stolen autos often are resold under new or "washed" titles in other states. The bill attempts to reduce the profitability of car theft by making it more difficult to "wash" a title of a stolen car in another state. Under the bill, state motor vehicle offices could instantly access the national clearinghouse of titles and learn the validity of out of state titles. Junk yards and insurance companies would record the vehicle identification numbers of cars sold for junk. The bill also aims to reduce the international market for stolen cars by ordering the U.S. Customs office to spot check imported cars. The anti-theft legislation would be funded by a $1 tax on each vehicle sold in the United States. **H.R. 4542, 102d Cong., 2d Sess. (1992).** ❖

New Limits On Insurance Commissions

A number of proposals before Congress seek to reduce the commissions that insurance salesmen can recover for the sale of long-term health care policies. Most of the bills limit the commissions to twice the amount of the commission paid in the second year of the policy. The legislation aims to combat churning, where the insurance agent rewrites a policy for long-term health care, and the only person who benefits is the agent.

Insurance industry spokespersons oppose the legislation because it removes the incentive for salesmen. Salesmen should be paid in the year during which they worked on the policy, the industry contends. Legislators are attempting to balance product standards and marketing abuses against insurance industry concerns that over regulation could harm the market for long term care. ***See, e.g.*, H.R. 5376, 102d Cong., 2d Sess. (1992).** ❖

Credit Card Issuers get a Break in Virginia

Virginia passed credit card legislation that allows credit card issuers to charge variable late payment charges. The law allows banks and non-banking credit card issuers to charge other charges and fees in amounts agreed to in the contract. The bill removes the cap on later payment fees for credit card payments, while requiring that consumers be made aware of the higher charges on late payments.

Governor Wilder approved the legislation after vetoing a broader measure earlier. The Governor's change of heart came about as a result of the decision by Household International Corp. to start a credit card facility in Chesapeake, Virginia, by the close of 1994. Since 70 percent of the credit cards used in Virginia come from other states with their own regulations, the bill will affect a limited amount of the credit card payments being made by Virginians. Consumer watchdogs contended that the legislation was part of a nationwide effort to repeal state consumer protection laws governing credit card payments. **Va. Code Ann. §6.1-330.63; 1-330.78, *amended by* H.B. 3001, 1992 Va. H.B. 3001.** ❖

Pocketbook Patriotism Laws

Buying American could be easier and clearer for car purchasers in the near future. Senator Barbara Mikulski, (D-Md) introduced a bill that would identify the percentage of a vehicle that had been made in the United States. The disclosure requirements would permit American consumers to know if their money was supporting a domestic made vehicle. Under the terms of the bill, the manufacturer of the automobile would be required to list the percentage of parts and assembly labor completed in this country. Mikulski's bill would also require the manufacturer to list any country responsible for supplying at least 33 percent of the vehicle's parts.

Similar proposals already in the House would require the display of what percentage of the vehicle had been made in the United States and where the automobile had been assembled. The House bill, the Automobile Content Information Disclosure Act (HR 4220), would define any vehicle made in Canada as domestic.

These proposals are a response to the recent production of automobiles in the United States by foreign automakers, and the fact that some American cars are now being built outside of the country. The legislation would inform consumers where the vehicles were actually made and thereby allow consumers to invest in American production. **S. 2232, 102d Cong., 2d Sess. (1992).** ❖