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MOTOR VEHICLE LEMON LAWS

You just purchased a shiny new car, only to discover that it was a shiny new lemon! What can you do?

Most states have created so-called "Lemon Laws" to put individual consumers on a more even footing with the big car companies. Although these laws vary from state to state, there are some common threads:

- Lemon Laws only apply to the purchase of a new or previously untitled vehicle. Used cars are generally not covered.
- The new vehicle must be used for personal family, or household purposes. If the primary purpose of the vehicle is for business, most Lemon Laws are not applicable.
- The vehicle must be intended primarily for use and operation on the public highway and be self-propelled. Motor homes and vehicles weighing more than 10,000 pounds are normally excluded.
- The defect was not caused by the consumer's abuse, neglect, modification, or alteration of the vehicle.
- You must give the manufacturer a reasonable opportunity to cure the vehicle's defects. As you might expect, the various states differ in defining the term "reasonable opportunity." Generally speaking, however, the term applies if the same defect has been the subject of repair three or more times, at least one of which took place during the first year of delivery or the first 10,000 miles, or the vehicle is out of service and in the custody of the manufacturer, its agent, or an authorized dealer for a cumulative total of 30 days due to repair attempts, one of which must have occurred during the first year of ownership or first 10,000 miles.

What Are My Rights?

Under the Lemon Laws, consumers that meet all of the five conditions set forth above may, by certified mail, instruct the manufacturer to either replace the defective vehicle with a comparable new vehicle or refund the full contract price together with all collateral charges (sales tax, license and registration fees, etc.), all finance charges, and all incidental damages such as the reasonable costs of alternative transportation incurred during the period that the consumer was without the use of the vehicle.

If the manufacturer fails to honor this request, the consumer can bring a civil lawsuit against the manufacturer, requesting payment of the damages above plus reasonable attorney's fees. Be aware that many new car purchase agreements seek to require that consumers submit the complaint to informal dispute resolution (mediation, arbitration) before suit can be brought.

This brochure is based in South Dakota law and is designed to inform, not to advise. No person should ever apply or interpret any law without the aid of an attorney who knows the facts and may be aware of any changes in the law.