



## ASA DIX LEGAL BRIEF

A PREVENTIVE LAW SERVICE OF THE JOINT READINESS CENTER LEGAL SECTION

UNITED STATES ARMY SUPPORT ACTIVITY DIX

*KEEPING YOU INFORMED ON YOUR PERSONAL LEGAL NEEDS*

# LEMON LAW

**Q: What is the Lemon Law?** The Lemon Law (N.J.S.A 56:12-29 to 56:12-49) is a consumer protection law enacted to assist consumers when they purchase a new motor vehicle that develops repeated defects or lengthy unusable periods during the first two years or 18,000 miles, whichever comes first. The intent of the law is to require the manufacturer of a new motor vehicle to correct defects that are originally covered under the manufacturer's warranty and are identified and reported within a specific time period. The law also provides procedures to quickly resolve disputes between a consumer and a manufacturer and specific remedies when the uncorrected defect substantially impairs the use, value or safety of the new vehicle.

**Q: To whom does the New Jersey Lemon Law apply?** The Lemon Law applies to anyone who buys, leases, or registers a new car or motorcycle in New Jersey. The consumer is protected for two years after the original delivery date of the vehicle, or for the first 18,000 miles, whichever comes first. If the vehicle is transferred to someone else during this two-year/18,000-mile period, that owner or the person leasing the vehicle is also covered under the Lemon Law.

**Q: What is not covered by the New Jersey Lemon Law?** The Lemon Law does not cover vehicles registered for commercial purposes, living quarters of motor homes, defects caused by accidents, vandalism, abuse or neglect, or defects caused by an attempt to repair or modify the vehicle by anyone other than the manufacturer, its agent or an authorized dealer.

**Q: Is your vehicle a lemon?** A new motor vehicle is presumed to be a lemon if it has one or more defects that continue to exist after three attempts at repairs, or after the vehicle has been out of service for a total of 20 cumulative calendar days. To qualify under the Lemon Law, the defect must substantially impair the use, value or safety of the vehicle.

**Q: How do I get my vehicle repaired?** You should report any defect or condition to the manufacturer or dealer immediately. Keep all receipts of repair attempts and a complete record of all contact with the manufacturer and dealer. You have the right to receive a dated, detailed statement each time the vehicle is brought in for repair. The statement should include any charges for parts and labor, a general description of the problem, the date the vehicle was brought in for repair, date the vehicle was picked up, all work performed, the odometer reading at the time you brought the vehicle in for repair, as well as when it is picked up.

**Q: Who pays for the repairs?** Most manufacturers' warranties on purchased vehicles cover repairs for at least the first year following the original delivery date or the first 12,000 miles, whichever comes first. If repairs are needed after your warranty has ended, you must pay for the repairs. Check your warranty booklet to find out the details of your particular coverage. If you do pay repair costs, you may be entitled to recover the costs if the

vehicle is later proven to be a "lemon" under the law. If you are leasing a vehicle, check your leasing contract to find out who is responsible for repair bills.

**Q: How long should the repair take?** The Lemon Law allows the manufacturer a reasonable amount of time to repair the defect. A reasonable amount of time is three repair attempts for the same defect or a total of 20 cumulative days out of service because of one or more defects or repairs.

**Q: Under the Lemon Law, must I send the manufacturer a letter?** Before you can file a claim with the Division of Consumer Affairs, you must give the manufacturer one final chance to repair the defect. You must send a letter to the manufacturer (not the dealer) by certified mail, return receipt requested, stating that you may have a claim and that you are giving the manufacturer one last chance to repair the defect (see sample letter below). This letter should be mailed after the second unsuccessful repair attempt or after the 20-cumulative-calendar-day period. Contact the Division of Consumer Affairs' Lemon Law Unit at (973) 504-6226 for the address of the manufacturer's regional office. After receiving your letter, the manufacturer has 10 calendar days to attempt a final repair. If the defect is not repaired within this time, you have the right to demand a refund. You must provide a copy of your 10-day demand letter, the return receipt verification, and the final repair attempt invoice before you can file a claim with the Division of Consumer Affairs.

**Q: What happens if the third and final repair attempt fails?** The manufacturer may offer to replace your original vehicle, but you are not required to accept the offer. You may refuse the offer of a replacement vehicle and demand a refund. If the manufacturer refuses to give you a refund, you can pursue the matter through a hearing or in court. If you do accept a replacement vehicle, and the original vehicle was financed, the manufacturer must make sure the financing is transferred from the original vehicle to the replacement vehicle. It is your responsibility to have the title and registration transferred to your new vehicle. If you choose to receive a refund, you will receive the full purchase price of your original motor vehicle, minus a "reasonable allowance for vehicle use."

**Q: What if the manufacturer does not refund my money or replace the vehicle?** If the manufacturer will not refund your money or replace your vehicle, you have three choices:

1. ask for a hearing through the Division of Consumer Affairs; or
2. send your complaint to the manufacturer's informal dispute settlement program; or
3. file a civil action in court.

**Q: How do I request a hearing through the Division of Consumer Affairs?** Send the Lemon Law Unit legible photocopies of your letter to the manufacturer, certified mail return receipt and a copy of the final repair invoice, together with a letter asking for an application for a hearing before an administrative law judge. After you receive the application, return it to the Lemon Law Unit, along with copies of all related papers and correspondence (repair orders, etc.). Do not send the original documents. The Lemon Law Unit will review your application to see if it meets the requirements for a Lemon Law hearing at the Office of Administrative Law. If so, the Lemon Law Unit will approve your application and ask you to send a check or money order for the \$50 application fee. This fee cannot be refunded. If you win your case, the fee will be returned to you as part of the amount awarded. Once payment is received and the application is accepted, the Lemon Law Unit will contact you and the manufacturer to arrange a hearing date. The hearing will be set no later than 20 days from that date, unless you agree to a later date. Once the case has been heard, a decision will be issued within 20 days after the hearing ends. The Director of the Division of Consumer Affairs can accept, modify or reject the decision within 15 days. If no action is taken by the Director, the decision of the administrative law judge

becomes final. If the manufacturer fails to comply with the final decision, you should notify the Division of Consumer Affairs because the manufacturer can be penalized \$5,000 per day for each day it unreasonably fails to comply with the decision. Either party may appeal the decision of the administrative law judge in civil court.

**Q: Am I required to use the manufacturer's dispute resolution program?** You are not required to use the manufacturer's dispute resolution program. If you do use it and you are not satisfied with the outcome, you may still file for a hearing before an administrative law judge. However, any findings made during the manufacturer's dispute resolution program can be used against you later in any subsequent hearing.

**Q: What if I have additional questions about the Lemon Law?** If you have questions or want more information on your rights under the Lemon Law, call or write: New Jersey Division of Consumer Affairs, Lemon Law Unit, P.O. Box 45026, 124 Halsey Street, Newark, NJ 07101, (973)-504-6226, or visit its web site at <http://www.njconsumeraffairs.gov/ocp/newlemon.htm>. You may also contact the Joint Base Legal Assistance Division to arrange a consultation with a Legal Assistance Attorney.

### **SAMPLE LETTER TO MANUFACTURER**

Your Address

Manufacturer's Address

Date

To Whom It May Concern:

I believe that my (passenger vehicle/motorcycle) is a "lemon" under the New Jersey Lemon Law (N.J.S.A. 56:12-29 to 56:12-49). I am hereby making a written demand for relief under the Lemon Law. I purchased/leased a (make, model year of vehicle and vehicle identification number) on (date) from (name of dealership) in (city, state). Since I bought the vehicle, I have had to return it to the dealership a total of (number of times the vehicle was returned to an authorized dealer for repairs) times. My vehicle has been out of service for repairs for a total of (total number of calendar days the vehicle has been out of service being repaired) calendar days. The current mileage on my vehicle is (current odometer reading). My vehicle has been in (name of authorized dealership) on the following dates for repair of the following defects: (date in and date out) (list the vehicle's problems). My vehicle is currently experiencing the following defects: (list current defects). Since these defects substantially impair the use, value or safety of my vehicle, I am hereby allowing you one final opportunity to repair my vehicle. If these repairs are not completed within ten calendar days of receipt of this letter, I am entitled to a refund calculated in accordance with the Lemon Law. I look forward to hearing from you within ten days. You can reach me during the day at \_\_\_\_\_ and in the evening at \_\_\_\_\_.

Sincerely,

Your name

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