

HAWAII LEMON LAW SUMMARY

EXECUTIVE SUMMARY	
TIME PERIOD FOR FILING CLAIMS	1 year after lemon law rights period (earlier of (1) the express warranty term, (2) two years after original delivery, or (3) 24,000 miles).
ELIGIBLE VEHICLE	(1) A self-propelled vehicle primarily designed for the transportation of persons or property over public streets and highways and used primarily for personal, family, or household purposes, including demonstrator vehicles; (2) an individually registered vehicle used for an individual's business purposes and for personal, family, or household purposes; and (3) a vehicle owned or leased by a sole proprietorship, corporation or partnership that has purchased or leased no more than one vehicle per year, and used for household, individual, or personal use in addition to business use. Excludes mopeds, motorcycles, motor scooters, and vehicles with a gross vehicle weight rating over 10,000 pounds. Appears to cover used vehicles.
ELIGIBLE CONSUMER	(1) The purchaser , for purposes other than resale, or lessee of a motor vehicle; (2) any person to whom the motor vehicle is transferred during the duration of the express warranty applicable to the motor vehicle; and (3) any other person entitled to enforce the terms of the express warranty.
TIME PERIOD FOR FIRST OCCURRENCE OR NOTICE	During the lemon law rights period (earlier of (1) the express warranty term, (2) two years after original delivery, or (3) 24,000 miles).
TIME PERIOD FOR REASONABLE NUMBER OF ATTEMPTS TO REPAIR	Not specified.
PRESUMPTION OR DEFINITION	Presumption: during the lemon law rights period (1) three times to any nonconformity; (2) one time to a serious nonconformity; or (3) out of service for 30 business days or more.
NOTICE TO MANUFACTURER	Written notice, before presumption can apply.
FINAL OPPORTUNITY TO REPAIR	Before presumption can apply.
REASONABLE ALLOWANCE	Both refund and replacement: one percent of the purchase price for every thousand miles of use attributable to a consumer up to (1) the date of the third repair attempt of the same nonconformity which is the subject of the claim, (2) the date of the first repair attempt of a nonconformity that is likely to cause death or serious bodily injury, or (3) the date of the 30th cumulative business day when the vehicle is out of service by reason of repair of one or more nonconformities, whichever occurs first.
DISPUTE RESOLUTION	Before bringing an action, consumer may use state program.
DISCLOSURE TO SUBSEQUENT PURCHASER	Yes.
TITLE BRANDING	No.

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1. Citation	Hawaii Revised Statutes §§ 481I-1 through 481I-4.
2. Motor vehicle covered	<p>(1) A self-propelled vehicle primarily designed for the transportation of persons or property over public streets and highways and used primarily for personal, family, or household purposes, including demonstrator vehicles;</p> <p>(2) An individually registered vehicle used for an individual's business purposes and for personal, family, or household purposes; and</p> <p>(3) A vehicle owned or leased by a sole proprietorship, corporation or partnership that has purchased or leased no more than one vehicle per year, and used for household, individual, or personal use in addition to business use.</p> <p>Excludes mopeds, motorcycles, motor scooters, and vehicles with a gross vehicle weight rating over 10,000 pounds.</p>
3. Consumer covered	<p>(1) The purchaser, for purposes other than resale, or lessee of a motor vehicle;</p> <p>(2) Any person to whom the motor vehicle is transferred during the duration of the express warranty applicable to the motor vehicle; and</p> <p>(3) Any other person entitled to enforce the terms of the express warranty.</p>
4. Nonconformity defined	<p>Defined as a defect, malfunction, or condition that fails to conform to the motor vehicle's applicable express warranty, and that substantially impairs the use, market value, or safety of a motor vehicle. "Substantially impairs" means to render the motor vehicle unfit, unreliable, or unsafe for warranted or normal use, or to significantly diminish the value of the motor vehicle.</p> <p>Nonconformity excludes a defect, malfunction, or condition that results from an accident, abuse, neglect, modification, or alteration of the motor vehicle by persons other than the manufacturer, its agent, distributor, or authorized dealer.</p>
5. Warranty defined	"Express warranty" means (1) any written warranty issued by the manufacturer, or any affirmation of fact or promise (2) made by the manufacturer (excluding statements made by the dealer) (3) in connection with the sale or lease of a motor vehicle to a consumer, (4) which relates to the nature of the material or workmanship and (5) affirms or promises that the motor vehicle will conform to the affirmation, promise, or description or that the material or workmanship is free of defects or will meet a specified level of performance.
6. Lemon law rights period	The earlier of (1) the term of the manufacturer's express warranty, (2) the period ending two years after the date of the motor vehicle's original delivery to a consumer, or (3) the first 24,000 miles of operation.
7. Manufacturer's obligation to repair	If the consumer reports the nonconformity to the manufacturer, its agent, distributor, or authorized dealer during the lemon law rights period, then the manufacturer, its agent, distributor, or authorized dealer must make the necessary repairs to conform the motor vehicle to the express warranty. The necessary repairs must be made even if the lemon law rights period has expired.
8. Manufacturer's obligation to repurchase or replace	If the manufacturer, its agent, distributor, or authorized dealer is unable to conform the motor vehicle to any applicable express warranty by repairing or correcting a nonconformity after a reasonable number of documented attempts, the manufacturer must either replace or repurchase the motor vehicle.
9. Criteria for reasonable number of repair attempts	<p>Presumed if, during the lemon law rights period, any of the following occurs:</p> <p>(1) The same nonconformity has been subject to examination or repair at least three times by the manufacturer, its agents, distributors, or authorized dealers but the nonconformity continues to exist;</p> <p>(2) A nonconformity that is likely to cause death or serious bodily injury if the vehicle is driven has been subject to examination or repair at least once by the manufacturer, its agents, distributors, or authorized dealers but the nonconformity continues to exist; or</p> <p>(3) The motor vehicle is out of service for repair of one or more nonconformities by the manufacturer, its agents, distributors, or authorized dealers for a cumulative total of 30 or more <i>business days</i>.</p> <p>"Business day" means any day during which the service departments of the manufacturer's authorized dealers are normally open for business.</p>

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<p>10. Notice of nonconformity and final opportunity to repair</p>	<p>The presumption that a reasonable number of repair attempts has occurred does not apply against a manufacturer unless the manufacturer has received a written report of the nonconformity from the consumer and has had a reasonable opportunity to repair the alleged defect. The consumer is required to notify the manufacturer only if the consumer was provided, at the time of purchase, with a written notice of the consumer's rights under the lemon law and the terms of any state certified arbitration program.</p> <p>The dealer must notify the manufacturer of the nonconformity upon a second notice of the nonconformity or if the motor vehicle has been out of service by reason of repair more than 20 business days.</p>
<p>11. Affirmative defenses</p>	<p>It is an affirmative defense that the nonconformity is the result of abuse, neglect, or unauthorized modifications or alterations of the motor vehicle by a consumer.</p>
<p>12. Refund</p>	<p>Refund consists of:</p> <ol style="list-style-type: none"> (1) <i>Full purchase price</i>, meaning the cash price appearing in the sales agreement or contract and paid for the motor vehicle, including any net allowance for any trade-in vehicle. This will include but is not limited to charges for undercoating, dealer preparation, transportation and installed options; (2) <i>Collateral charges</i>, defined as those additional charges to a consumer wholly incurred as a result of the acquisition of the motor vehicle, including but not limited to finance and interest charges, manufacturer-installed or agent-installed items, general excise tax, license and registration fees, title charges, and similar government charges; and (3) <i>Incidental charges</i>, defined as those reasonable costs incurred by the consumer and directly caused by the nonconformity or nonconformities that are the subject of the claim, including but not limited to towing charges and the costs of obtaining alternative transportation, but excluding loss of use, loss of income, or personal injury claims; (4) Less a reasonable offset for the consumer's use of the motor vehicle, and a reasonable offset for damage to the vehicle not attributable to normal wear and tear if unrelated to the nonconformity.
<p>13. Replacement</p>	<p>Replacement is a motor vehicle that is identical or reasonably equivalent to the motor vehicle being replaced as it existed at the time of original acquisition, including any service contract, undercoating, rustproofing, and factory or dealer installed options. The manufacturer is responsible for the general excise tax, and license and registration fees. Reasonable offsets must be made for the consumer's use of the motor vehicle and for damage to the vehicle not attributable to normal wear and tear if unrelated to the nonconformity.</p>
<p>14. Reasonable allowance</p>	<p>Applies to a refund and to a replacement. The reasonable offset for use is one percent of the purchase price for every thousand miles of use attributable to a consumer up to (1) the date of the third repair attempt of the same nonconformity which is the subject of the claim, (2) the date of the first repair attempt of a nonconformity that is likely to cause death or serious bodily injury, or (3) the date of the 30th cumulative business day when the vehicle is out of service by reason of repair of one or more nonconformities, whichever occurs first.</p> <p>A reasonable offset may also be made for damage to the vehicle not attributable to normal wear and tear if unrelated to the nonconformity.</p>
<p>15. Refund of sales tax</p>	<p>Manufacturer refunds sales tax to the consumer. No provision for the manufacturer to obtain a refund of sales tax from the state.</p>
<p>16. Enhanced damages</p>	<p>Not specified in the lemon law, although the failure of a manufacturer to timely comply with a binding decision of the state arbitration program is prima facie evidence of an unfair or deceptive act or practice, unless the manufacturer can prove that it attempted in good faith to comply or that the failure was beyond the manufacturer's control, the result of a written agreement with the consumer, or based on an appeal.</p>
<p>17. Attorney's fees</p>	<p>An arbitrator in the state arbitration program may award reasonable attorney's fees to the prevailing party.</p>
<p>18. Statute of limitations</p>	<p>An action must be brought within 1 year following expiration of the lemon law rights period.</p>

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19. Manufacturer-sponsored arbitration	Not specified.
20. State-sponsored arbitration	Consumers may elect to participate in and be bound by a decision of the state arbitration program.
21. Dealer liability	Not specified.
22. Restrictions on resale of returned vehicles	<p>No vehicle returned to a dealer or manufacturer under the lemon law or by judgment, settlement, or arbitration award in Hawaii or in another state may be sold, leased, or auctioned by any person unless:</p> <p>(1) The nature of the defect experienced by the original buyer or lessee is clearly and conspicuously disclosed on a separate document that must be signed by the manufacturer and purchaser. The document must be in ten point capitalized type, in substantially the following form: "IMPORTANT: THIS VEHICLE WAS RETURNED TO THE MANUFACTURER BECAUSE A DEFECT(S) COVERED BY THE MANUFACTURER'S EXPRESS WARRANTY WAS NOT REPAIRED WITHIN A REASONABLE TIME AS PROVIDED BY LAW.";</p> <p>(2) The defect is corrected; and</p> <p>(3) The manufacturer warrants to the new buyer or lessee, in writing, that if the defect reappears within the earlier of 1 year or 12,000 miles after resale, it will be corrected at no expense to the consumer.</p>
23. Point of sale notice of lemon law rights	At the time of purchase, the manufacturer, agent, distributor, or authorized dealer must provide the consumer a written notice setting forth the terms of the state arbitration program and a statement of the rights of the consumer under the lemon law, in plain language and on a form that has been previously reviewed and approved by the Department of Commerce for substantial compliance with Rule 703 and the lemon law. The written notice must specify the requirement that written notification to the manufacturer of the nonconformity is required before the consumer is eligible for a refund or replacement. The notice must also include the name and address to which the consumer must send the written notification. The dealer is responsible for providing the statement.
24. Limitation on waiver	Not specified.

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