

MAINE LEMON LAW SUMMARY

EXECUTIVE SUMMARY	
TIME PERIOD FOR FILING CLAIMS	Earlier of (1) three years from original delivery to the consumer, or (2) the term of the express warranties.
ELIGIBLE VEHICLE	Any motor driven vehicle sold or leased in Maine that is designed for the conveyance of passengers or property on the public highways. Covers used vehicles; excludes motor vehicles used primarily for commercial purposes with a gross vehicle weight of 8,500 pounds or more.
ELIGIBLE CONSUMER	(1) The purchaser , for purposes other than resale, or the lessee of a motor vehicle; (2) any person to whom the motor vehicle is transferred during the duration of an express warranty applicable to the motor vehicle; and (3) any other person entitled by the terms of the warranty to enforce its obligations. Excludes any government entity, or any business or commercial enterprise that registers three or more motor vehicles.
TIME PERIOD FOR FIRST OCCURRENCE OR NOTICE	Earlier of the term of the express warranties; a period of three years following the date of the motor vehicle's original delivery to a consumer; or the vehicle's first 18,000 miles of operation.
TIME PERIOD FOR REASONABLE NUMBER OF ATTEMPTS TO REPAIR	Not specified.
PRESUMPTION OR DEFINITION	Presumption: within the earlier of the express warranty term, three years following original delivery, or 18,000 miles of operation, (1) three or more repair attempts; (2) one or more repair attempts to a serious failure in braking or steering; or (3) out of service for repairs for 15 or more business days.
NOTICE TO MANUFACTURER	Before eligible for refund or replacement; written notice to manufacturer or authorized dealer of request for refund or replacement.
FINAL OPPORTUNITY TO REPAIR	Manufacturer must repair nonconformity within 7 business days following receipt of consumer's written notice.
REASONABLE ALLOWANCE	Refund only: may not exceed the lesser of (1) 1/3 of the amount allowed per mile by the IRS for business use of a personal vehicle, based on miles reported on arbitration application PLUS miles by the consumer beyond 20,000; or (2) 10% of the purchase price of the vehicle.
DISPUTE RESOLUTION	Provisions requiring refund or replacement do not apply unless consumer first resorts to manufacturer's program that complies with 16 C.F.R. Part 703 or to state-operated arbitration program.
DISCLOSURE TO SUBSEQUENT PURCHASER	Yes.
TITLE BRANDING	No.

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1. Citation	10 Maine Rev. Stat. Ann. §§ 1161 through 1169; Code of Main Rules Chapter 106.
2. Motor vehicle covered	<p>Covers any motor driven vehicle sold or leased in Maine that is designed for the conveyance of passengers or property on the public highways. An executive motor vehicle or demonstration motor vehicle is covered if, when it was originally sold to a consumer, it met the statutory definition of a “new vehicle” at 10 M.R.S.A. § 1171(13) (a motor vehicle that has not been previously sold to any person except a distributor or wholesaler or motor vehicle dealer for resale). If the consumer and manufacturer cannot determine the date the vehicle was first used, the term of protection will be the term of the consumer’s express warranties or 18,000 miles, whichever comes first.</p> <p>Covers used vehicles.</p> <p>Excludes motor vehicles used primarily for commercial purposes with a gross vehicle weight of 8,500 pounds or more.</p>
3. Consumer covered	<p>Covers the following consumers:</p> <ol style="list-style-type: none"> (1) The purchaser, for purposes other than resale, or the lessee of a motor vehicle; (2) Any person to whom the motor vehicle is transferred during the duration of an express warranty applicable to the motor vehicle; and (3) Any other person entitled by the terms of the warranty to enforce its obligations. <p>Excludes any government entity, or any business or commercial enterprise that registers three or more motor vehicles.</p>
4. Nonconformity defined	Not defined. Any defect or condition, or combination of defects or conditions, that substantially impairs the use, safety or value of the motor vehicle is referred to as a <i>nonconformity</i> .
5. Warranty defined	Not defined.
6. Lemon law rights period	Not defined. Regulations define a “Lemon Law term of protection” as the earlier of (1) the term of the vehicle express warranties; (2) two years following the date of the motor vehicle’s original delivery to the original consumer buyer or lessee; or (3) the first 18,000 miles of operation.
7. Manufacturer’s obligation to repair	<p>If a motor vehicle does not conform to all express warranties and the consumer reports the nonconformity to the manufacturer, its agent or authorized dealer during the earlier of</p> <ol style="list-style-type: none"> (1) the term of the express warranties; (2) three years following the date of the motor vehicle’s original delivery to a consumer; or (3) the motor vehicle’s first 18,000 miles of operation, <p>then the manufacturer, its agent or authorized dealer must make the necessary repairs to conform the vehicle to the express warranties. The necessary repairs must be made even after the expiration of the term of the express warranties, the three year period, or the first 18,000 miles.</p>
8. Manufacturer’s obligation to repurchase or replace	If the manufacturer, its agents or authorized dealers are unable to conform the vehicle to any applicable express warranty by repairing or correcting any nonconformity after a <i>reasonable number of repair attempts</i> , the manufacturer must either replace or repurchase the motor vehicle. The consumer may reject any offered replacement and receive a repurchase instead.
9. Criteria for reasonable number of repair attempts	<p>Presumed if, within the express warranty term, during the period of three years following the date of the motor vehicle’s original delivery to a consumer, or during the first 18,000 miles of operation – whichever is the earlier date – any of the following occurs:</p> <ol style="list-style-type: none"> (1) The same nonconformity has been subject to a repair attempt three or more times by the manufacturer, its agents or authorized dealers, and the nonconformity continues to exist; (2) The same nonconformity that results in a serious failure of either the braking or steering systems has been subject to a repair attempt one or more times by the manufacturer, its agents or authorized dealers; or (3) The motor vehicle is out of service by reason of a repair attempt by the manufacturer, its agents or authorized dealers of any defect, condition, or combination of defects for a cumulative total of 15 or more business days.

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<p>10. Notice of nonconformity and final opportunity to repair</p>	<p>If the manufacturer or its agents are unable to conform the motor vehicle to the express warranties, the consumer must notify the manufacturer or authorized dealer in writing of the consumer's desire for refund or replacement. Notice can be given after one repair attempt to a nonconformity that results in a serious safety failure of either the braking or steering systems.</p> <p>The notice requirement does not apply unless the manufacturer has clearly and conspicuously disclosed, in the warranty or owner's manual, that written notification of the nonconformity is required before the consumer may be eligible for a refund or replacement.</p> <p>The manufacturer has seven business days following receipt by the dealer or manufacturer of the written notice from the consumer to correct or repair any nonconformities. The final repair effort must be at a repair facility reasonably accessible to the consumer.</p>
<p>11. Affirmative defenses</p>	<p>It is an affirmative defense that:</p> <ol style="list-style-type: none"> (1) The alleged nonconformity does not substantially impair the use, safety or value of the motor vehicle; or (2) The nonconformity is the result of abuse, neglect, or unauthorized modifications or alterations of a motor vehicle by anyone other than the manufacturer, its agents or authorized dealer after delivery to the consumer.
<p>12. Refund</p>	<p>Purchased Vehicle</p> <p>Refund consists of:</p> <ol style="list-style-type: none"> (1) The full purchase price of the motor vehicle, including any paid finance charges; (2) All collateral charges, including but not limited to sales tax, registration fees and similar government charges; and (3) Reasonable costs incurred by the consumer for towing and storage of the motor vehicle and for procuring alternative transportation while the vehicle could not be driven because it did not conform to any applicable express warranty; (4) Less a reasonable allowance for use of the motor vehicle. <p>Leased Vehicle</p> <p>Refund consists of:</p> <ol style="list-style-type: none"> (1) Lease payments made to date, including any paid finance charges; (2) All collateral charges, including but not limited to sales tax, license and registration fees and similar government charges; and (3) Reasonable costs incurred by the consumer for towing and storage of the motor vehicle and for procuring alternative transportation while the vehicle could not be driven because it did not conform to any applicable express warranty; (4) Less a reasonable allowance for use of the motor vehicle. <p>The lessee's lease agreement with the lessor and all contractual obligations terminate upon a decision that the vehicle does not conform to the express warranty and the vehicle is returned. The lessee may not be liable to the manufacturer or lessor for any further costs or charges under the lease agreement. The lessor shall release the motor vehicle title to the manufacturer upon payment by the manufacturer under the lemon law.</p>
<p>13. Replacement</p>	<p>Replacement is a comparable motor vehicle. Any secured party must consent to the replacement of the security interest with a corresponding security interest on a replacement motor vehicle if the replacement motor vehicle is comparable in value to the original motor vehicle. If the security interest in the vehicle to be replaced is not able to be replaced with a security interest on a replacement vehicle, the consumer is entitled to a refund.</p>
<p>14. Reasonable allowance</p>	<p>Applies to a refund but not to a replacement. The reasonable allowance for use is defined as an amount that cannot exceed the lesser of:</p> <ol style="list-style-type: none"> (1) One-third of the amount allowed per mile by the Internal Revenue Service for the use of a personal vehicle for business purposes, based upon the mileage reported for that motor vehicle on the application for state-certified arbitration PLUS all mileage directly attributable to use by a consumer beyond 20,000 miles, or (2) 10% of the purchase price of the vehicle.

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15. Refund of sales tax	Manufacturer refunds sales tax to the consumer. No provision for the manufacturer to obtain a refund of sales tax from the state.
16. Enhanced damages	Not specified, although a violation of the lemon law is considered prima facie evidence of an unfair or deceptive trade practice.
17. Attorney's fees	If a consumer's action to enforce any lemon law liability is successful, a court may award reasonable attorney's fees and costs incurred in connection with the action.
18. Statute of limitations	A claim must be filed within the earlier of (1) three years from the date of the vehicle's original delivery to the consumer, or (2) the term of the express warranties. Although the Attorney General's brochure <i>Consumer's Guide to Lemon Law Arbitration</i> also references this period, regulations provide that a claim will be accepted for the state-operated arbitration program if (1) it is filed within 6 months after the earlier of two years following original delivery or 18,000 miles of operation; or (2) the manufacturer voluntarily agrees to participate.
19. Manufacturer-sponsored arbitration	The provisions requiring refund or replacement do not apply unless the consumer has first resorted to an informal dispute settlement procedure that complies with 16 C.F.R. Part 703 or the state-operated arbitration program.
20. State-sponsored arbitration	The provisions requiring refund or replacement do not apply unless the consumer has first resorted to an informal dispute settlement procedure that complies with 16 C.F.R. Part 703 or the state-operated arbitration program.
21. Dealer liability	Nothing in the lemon law imposes any liability on a dealer or creates a cause of action by a consumer against a dealer, except regarding any written express warranties made by the dealer apart from the manufacturer's warranties.
22. Restrictions on resale of returned vehicles	<p>A motor vehicle returned to the manufacturer under the provisions of the lemon law may not be resold without clear and conspicuous written disclosure to any subsequent purchaser (either consumer or dealer) of the following:</p> <ol style="list-style-type: none"> (1) That the motor vehicle was returned to the manufacturer under the lemon law; (2) That the motor vehicle did not conform to the manufacturer's express warranties; and (3) The ways in which the motor vehicle did not conform to the manufacturer's express warranties. <p>A motor vehicle that is surrendered to a manufacturer as a result of a settlement of a state-certified arbitration must, at the time it is first offered for retail sale to the public, be affixed with a clear and conspicuous written disclosure stating that the vehicle was the subject of a Maine Lemon Law settlement agreement.</p>
23. Point of sale notice of lemon law rights	<p>Lemon Law</p> <p>The manufacturer must provide to the consumer along with ownership manual materials a clear and conspicuous disclosure of the rights of the consumer under the lemon law. The form and manner of these notices will be prescribed by the Attorney General.</p> <p>Regulations</p> <p>All new motor vehicles and those used motor vehicles still within the Maine Lemon Law term of protection (the earlier of the term of the express warranties, two years following the date of the motor vehicle's original delivery to the original consumer buyer or lessee, or during the first 18,000 miles of operation) that are sold, offered for sale, or displayed in Maine must have affixed to the cover of their warranty booklet a yellow sticker that states in not smaller than 5 point type:</p> <p>If your motor vehicle is seriously defective and cannot be repaired, you may be eligible for Maine State Lemon Arbitration and a new motor vehicle or your money back. For more information read the Lemon Law brochure in this warranty booklet or call the Attorney General's Lemon Arbitration Program at 207/626-8848.</p> <p>All new motor vehicles and those used motor vehicles still within the term of protection that are sold or offered for sale in Maine must include inside the warranty booklet a separate yellow</p>

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cardboard notice in the following form and not smaller than 10 point type:



MAINE LEMON LAW ARBITRATION

IF YOU HAVE SERIOUS PROBLEMS WITH THIS VEHICLE

The Maine Lemon Law (10 M.R.S.A. §§ 1161-1169) provides free arbitration for consumer buyers or lessees whose motor vehicle is seriously defective. Under the Maine Lemon Law, you may have a right to a **refund or a replacement** of the vehicle if the following applies:

1. There is a defect or combination of defects which substantially impairs the use, safety, or value of your vehicle; and
2. This unrepaired defect happened:
 - during the manufacturer's express warranty; and
 - within the two year period following the delivery date of the vehicle to the original purchaser or lessee; and
 - during the first 18,000 miles of operation;
3. The defect still exists or has recurred after:
 - 3 or more repair attempts for the same defect (2 of the repairs must be by the same dealer); **or**
 - Being out of service for repairs for a cumulative total of 15 or more business days (for one or more defects); and
 - the manufacturer had been given in writing a 7 day final opportunity to repair.

Our state-run arbitration is different from any manufacturer sponsored program to which you may also be entitled. Under the state Lemon Law program, you will receive a free hearing before a neutral state Arbitrator and a decision within 45 days of acceptance of your Lemon Law application. If your vehicle is declared a lemon, the manufacturer must refund your purchase price or replace the vehicle.

You must apply for state-run arbitration within 2 years after delivery to the original consumer and within the term of the manufacturer's warranty.

THIS SHEET PROVIDES ONLY A SUMMARY OF THE MAINE LEMON LAW
To request arbitration, or to get further information contact:

Lemon Law Arbitration Program, Department of the Attorney General
Public Protection Division, 6 State House Station
Augusta, ME 04333 Telephone: (207) 626-8848
e-mail: lemon.law@state.me.us
www.state.me.us/ag

The manufacturer shall be responsible for supplying these notices to selling dealers and for entering on each cardboard brochure the name and address of the manufacturer's agent for that particular vehicle who should be contacted in order for the manufacturer to make its final repair attempt. The dealers shall be responsible for placing the notices on the cover of the warranty booklet and inside the warranty booklet.

Manufacturers are encouraged to submit a copy of their proposed sticker and brochure to the Attorney General for prior approval.

24. Limitation on waiver

Any agreement entered into by a consumer that waives, limits or disclaims lemon law rights is void as contrary to public policy.

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