

MINNESOTA LEMON LAW SUMMARY

EXECUTIVE SUMMARY	
TIME PERIOD FOR FILING CLAIMS	Three years following original delivery. Consumer who resorts to dispute resolution may file in court within six months after arbitration decision.
ELIGIBLE VEHICLE	Motor vehicles sold or leased to a consumer in Minnesota: (1) passenger automobile (designed and used for carrying not more than 15 persons including the driver); (2) pickup truck or van; and (3) self-propelled chassis or van portion of recreational equipment Covers used vehicles.
ELIGIBLE CONSUMER	(1) Purchaser or lessee , other than for purposes of resale or sublease, of a new motor vehicle used for personal, family, or household purposes at least 40% of the time; or (2) person to whom the new motor vehicle is transferred for the same purposes during the warranty.
TIME PERIOD FOR FIRST OCCURRENCE OR NOTICE	Earlier of the warranty term or two years following original delivery.
TIME PERIOD FOR REASONABLE NUMBER OF ATTEMPTS TO REPAIR	Three years after original delivery.
PRESUMPTION OR DEFINITION	Presumption: earlier of warranty term or two years following original delivery, (1) four or more attempts, (2) one attempt to a serious nonconformity, or (3) out of service for 30 business days.
NOTICE TO MANUFACTURER	For presumption to apply, prior written notification.
FINAL OPPORTUNITY TO REPAIR	For presumption to apply, an opportunity to cure.
REASONABLE ALLOWANCE	Refund only: Use during period in which use and market value are not substantially impaired. May not exceed lesser of 10 cents per mile driven or 10% of the purchase price.
DISPUTE RESOLUTION	Manufacturer must offer program that complies with 16 C.F.R. Part 703 and lemon law. Before obtaining lemon law remedies, consumer must resort to manufacturer's program.
DISCLOSURE TO SUBSEQUENT PURCHASER	Yes.
TITLE BRANDING	No.

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1. Citation	Minn. Stat. Ann § 325F.665
2. Motor vehicle covered	Covers any one of the following motor vehicles sold or leased to a consumer in Minnesota: (1) A passenger automobile (designed and used for carrying not more than 15 persons including the driver); (2) A pickup truck or van; and (3) The self-propelled chassis or van portion of recreational equipment. Covers used vehicles.
3. Consumer covered	(1) The purchaser or lessee, other than for purposes of resale or sublease, of a new motor vehicle used for personal, family, or household purposes at least 40 per cent of the time; or (2) A person to whom the new motor vehicle is transferred for the same purposes during the duration of the manufacturer's written warranty.
4. Nonconformity defined	Not defined. Any defect or condition that does not conform to the manufacturer's written warranty and that substantially impairs the use or market value of the motor vehicle to the consumer is referred to as a <i>nonconformity</i> .
5. Warranty defined	"Manufacturer's express warranty" and "warranty" are defined as the written warranty of the manufacturer of a new motor vehicle of its condition and fitness for use, including any terms or conditions precedent to the enforcement of obligations under that warranty.
6. Lemon law rights period	Not defined.
7. Manufacturer's obligation to repair	If a new motor vehicle does not conform to the manufacturer's written warranty, and the consumer reports the nonconformity to the manufacturer, its agent or dealer during the term of the written warranty or during the period of two years following the date of the vehicle's original delivery to a consumer – whichever is the earlier date, the manufacturer must make the repairs necessary to conform the vehicle to the warranty. Repairs must be made even after the expiration of the warranty term or the two-year period.
8. Manufacturer's obligation to repurchase or replace	If the manufacturer, its agents or authorized dealers are unable to conform a <i>purchased</i> motor vehicle to any applicable express warranty by repairing or correcting any nonconformity after a reasonable number of repair attempts within three years following the date of original delivery of the vehicle to a consumer, then the manufacturer must either repurchase or replace the motor vehicle. The consumer has the option of requiring the manufacturer to provide a refund rather than a replacement motor vehicle. If the manufacturer, its agents or authorized dealers are unable to conform a <i>leased</i> motor vehicle to any applicable express warranty by repairing or correcting any nonconformity after a reasonable number of repair attempts within three years following the date of original delivery of the vehicle to a consumer, then the manufacturer must repurchase the motor vehicle. The lemon law does not provide for the replacement of a leased vehicle.
9. Criteria for reasonable number of repair attempts	Presumed if, within the manufacturer's written warranty term or during the period of two years following the date of original delivery of the vehicle to a consumer, whichever is the earlier date, any of the following occurs: (1) The same nonconformity has been subject to repair four or more times by the manufacturer, its agents or its authorized dealers, and the nonconformity continues to exist; (2) The vehicle is out of service by reason of repair for a cumulative total of 30 or more business days; or (3) A nonconformity that results in complete failure of the braking or steering system of the vehicle, and is likely to cause death or serious bodily injury if the vehicle is driven, has been subject to repair at least once by the manufacturer, its agents, or its authorized dealers, and the nonconformity continues to exist. Even if the presumption is not met, the consumer may still be entitled to recover under the

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	lemon law if (1) the consumer first reported a nonconformity causing a substantial impairment to the manufacturer, its agent or authorized dealer during the term of the manufacturer's written warranty, and (2) a reasonable number of attempts to correct the nonconformity occurs within three years following the date of original delivery of the vehicle to a consumer.
10. Notice of nonconformity and final opportunity to repair	The presumption set out above applies against a manufacturer only if the manufacturer, its agent or its authorized dealer has received prior written notification from or on behalf of the consumer at least once, and has had an opportunity to cure the alleged defect. If the notification is received by the manufacturer's agent or authorized dealer, the agent or dealer must forward it to the manufacturer by certified mail.
11. Affirmative defenses	It is an affirmative defense that: (1) The alleged nonconformity does not substantially impair the use or market value, or (2) The nonconformity is the result of abuse, neglect, or unauthorized modifications or alterations of the motor vehicle by anyone other than the manufacturer, its agent or authorized dealer.
12. Refund	<p>Purchased vehicle</p> <p>Refund consists of:</p> (1) The full vehicle purchase price, including the cost of any options or other modifications arranged, installed or made by the manufacturer, its agent or its authorized dealer within 30 days after the date of original delivery. This includes the amount stated by the dealer as the trade-in value of a consumer's used vehicle, plus an additional amount paid by the consumer for the vehicle; and (2) All other charges, including but not limited to sales or excise tax, license fees and registration fees, and reimbursement for towing and rental vehicle expenses incurred by the consumer as a result of the vehicle being out of service for warranty repair; (3) Less a reasonable allowance for the consumer's use of the motor vehicle. <p>The amount of sales tax to be refunded to the consumer is calculated as follows:</p> $\text{Tax paid by consumer at time of purchase} - \left[\frac{\text{Tax paid by consumer at time of purchase} \times \text{Reasonable allowance for use}}{\text{Vehicle's purchase price}} \right]$ <p>Leased vehicle</p> <p><i>To the lessor:</i></p> (1) A full refund of the vehicle's original purchase price; and (2) Any early termination costs, not to exceed 15 percent of the vehicle's original purchase price; (3) Less any amounts actually paid by the consumer on the written lease. <p><i>To the lessee:</i></p> (1) The amount actually paid by the consumer on the written lease; and (2) All other charges actually paid by the consumer, including but not limited to sales or excise tax, license fees and registration fees, and reimbursement for towing and rental vehicle expenses incurred by the consumer as a result of the vehicle being out of service for warranty repair; (3) Less a reasonable allowance for the consumer's use of the vehicle. <p>The consumer's leased vehicle must be returned to the manufacturer and the consumer's written lease with the lessor must be terminated.</p>
13. Replacement	Replacement is a comparable motor vehicle.
14. Reasonable allowance	Applies to a refund but not to a replacement. The reasonable allowance for the consumer's use of the motor vehicle may not exceed 10 cents per mile driven or 10% of the purchase price, whichever is less. The reasonable allowance for use is that amount directly attributable to use by the consumer and any previous consumer during any period in which the use and market value of the motor vehicle re not substantially impaired.

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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, although the lemon law does state that if the amount of sales or excise tax refunded to the consumer is not separately listed on an itemized statement of refund amounts, or if the manufacturer does not apply for a refund of the tax within 1 year of the return of the motor vehicle, the Department of Public Safety may refund the tax directly to the consumer and lienholder, if any, as their interests appear on records of the Registrar of Motor Vehicles.
16. Enhanced damages	If a court finds that a party has removed to the court a decision of an informal dispute settlement mechanism in bad faith, by asserting a claim or defense that is frivolous and costly to the other party, or by asserting an unfounded position solely to delay recovery by the other party, then the court must award to the prevailing party 3 times the actual damages sustained, along with costs and disbursements, including attorney's fees.
17. Attorney's fees	The court may award to the consumer costs and disbursements, including reasonable attorney's fees incurred in the civil action.
18. Statute of limitations	An action must be commenced within three years of the date of the motor vehicle's original delivery to a consumer. If a consumer applies to an informal dispute settlement mechanism within three years of the date of the vehicle's original delivery to a consumer, and the consumer is dissatisfied with the mechanism's decision, then any action brought by the consumer must commence within six months after the date of the mechanism's final decision. A manufacturer aggrieved by an informal dispute mechanism's decision may apply to remove the decision to district court within 30 days after the decision is received.
19. Manufacturer-sponsored arbitration	Any manufacturer doing business in Minnesota, entering into franchise agreements for the sale of its vehicles in Minnesota, or offering express warranties on its vehicles sold or distributed in Minnesota, must operate or participate in an informal dispute settlement mechanism. The informal mechanism must be located in Minnesota and must comply with 16 C.F.R. Part 703 and the lemon law. The lemon law provisions requiring repurchase or replacement do not apply to a consumer who has not first used the informal mechanism before commencing a civil action, unless the manufacturer allows a consumer to forego the mechanism.
20. State-sponsored arbitration	Not specified.
21. Dealer liability	Nothing in the lemon law imposes liability on a dealer or creates an additional cause of action by a consumer against a dealer, except for written express warranties made by the dealer apart from the manufacturer's warranties. The manufacturer must not charge back or require reimbursement by the dealer for any costs, including but not limited to refunds or replacements, incurred by the manufacturer arising out of the lemon law, unless there is evidence that the related repairs had not been carried out by the dealer in a timely manner or in a manner substantially consistent with the manufacturer's published instructions.
22. Restrictions on resale of returned vehicles	A motor vehicle that was returned under any state's lemon law, whether as the result of a legal action or an informal dispute settlement proceeding, must not be resold or re-leased in Minnesota unless: (1) The manufacturer provides the same express warranty it provided to the original purchaser, though the term of the warranty need only be for 12,000 miles or 12 months after resale, whichever is earlier; and (2) The manufacturer provides the consumer with a written statement on a piece of paper, in all-capital 10-point type, in substantially the following form: "IMPORTANT THIS VEHICLE WAS RETURNED TO THE MANUFACTURER BECAUSE IT DID NOT CONFORM TO THE MANUFACTURER'S EXPRESS WARRANTY AND THE NONCONFORMITY WAS NOT CURED WITHIN A REASONABLE TIME AS PROVIDED BY MINNESOTA LAW." Lemon law provisions apply to the resold or re-leased motor vehicle for the full term of the required warranty.

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	If a motor vehicle that was returned under any state's lemon law because of a nonconformity resulting in a complete failure of the braking or steering system likely to cause death or serious bodily injury if the vehicle was driven, then the motor vehicle may not be resold in Minnesota.
23. Point of sale notice of lemon law rights	At the time of purchase or lease, the manufacturer must provide directly to the consumer a written statement on a separate piece of paper, in all capital 10-point type, in substantially the following form: IMPORTANT IF THIS VEHICLE IS DEFECTIVE, YOU MAY BE ENTITLED UNDER THE STATE'S LEMON LAW TO REPLACEMENT OF IT OR A REFUND OF ITS PURCHASE PRICE OR YOUR LEASE PAYMENTS. HOWEVER, TO BE ENTITLED TO REFUND OR REPLACEMENT, YOU MUST FIRST NOTIFY THE MANUFACTURER, ITS AGENT, OR ITS AUTHORIZED DEALER OF THE PROBLEM IN WRITING AND GIVE THEM AN OPPORTUNITY TO REPAIR THE VEHICLE. YOU ALSO HAVE A RIGHT TO SUBMIT YOUR CASE TO THE CONSUMER ARBITRATION PROGRAM WHICH THE MANUFACTURER MUST OFFER IN MINNESOTA.
24. Limitation on waiver	Not specified.

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