

## NORTH DAKOTA LEMON LAW SUMMARY

EXECUTIVE SUMMARY	
<b>TIME PERIOD FOR FILING CLAIMS</b>	Six months after the earlier of (1) expiration of the express warranty term or (2) 18 months after original delivery to a consumer.
<b>ELIGIBLE VEHICLE</b>	“Passenger motor vehicle” sold or leased in North Dakota, including (1) a motor vehicle designed principally for the transportation of persons; (2) a truck less than 10,000 pounds GVWR; and (3) a vehicle that utilizes a truck chassis but has a seating capacity of four or more passengers. Appears to cover used vehicles.
<b>ELIGIBLE CONSUMER</b>	(1) <b>Purchaser or lessee</b> , other than for purposes of resale or lease, of a passenger motor vehicle normally used for personal, family or household purposes; (2) any person to whom the passenger motor vehicle is transferred for the same purposes during the duration of the vehicle’s express warranty; and (3) any other person entitled by the terms of the warranty to enforce its obligations.
<b>TIME PERIOD FOR FIRST OCCURRENCE OR NOTICE</b>	Earlier of the expiration of the warranty or one year after original delivery.
<b>TIME PERIOD FOR REASONABLE NUMBER OF ATTEMPTS TO REPAIR</b>	Not specified.
<b>PRESUMPTION OR DEFINITION</b>	<b>Presumption:</b> during earlier of the warranty period or one year from the date of the vehicle’s original delivery to a consumer, either (1) more than three repair attempts or (2) out of service for 30 or more business days.
<b>NOTICE TO MANUFACTURER</b>	For presumption to apply; direct notice.
<b>FINAL OPPORTUNITY TO REPAIR</b>	For presumption to apply.
<b>REASONABLE ALLOWANCE</b>	Use by the consumer before the first report of the nonconformity to the manufacturer, its agent, or dealer, and during any subsequent period when the vehicle is not out of service. May not exceed lesser of ten cents per mile or 10% of the purchase price.
<b>DISPUTE RESOLUTION</b>	Consumer must first utilize the informal dispute settlement procedure that complies with 16 C.F.R. Part 703. Attorney General will issue a determination of whether a procedure qualifies.
<b>DISCLOSURE TO SUBSEQUENT PURCHASER</b>	Yes.
<b>TITLE BRANDING</b>	No.

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1. <b>Citation</b>	North Dakota Cent. Code §§ 51-07-16 through 51-07-22.
2. <b>Motor vehicle covered</b>	Covers a “passenger motor vehicle” sold or leased in North Dakota, including: (1) A motor vehicle designed principally for the transportation of persons; (2) A truck that has a G.V.W. rating of less than 10,000 pounds; and (3) A vehicle that utilizes a truck chassis but has a seating capacity of four or more passengers.  Appears to cover used vehicles.
3. <b>Consumer covered</b>	(1) The purchaser or lessee, other than for purposes of resale or lease, of a passenger motor vehicle normally used for personal, family or household purposes; (2) Any person to whom the passenger motor vehicle is transferred for the same purposes during the duration of the vehicle’s express warranty; and (3) Any other person entitled by the terms of the warranty to enforce its obligations.
4. <b>Nonconformity defined</b>	Not defined. Any defect or condition that substantially impairs the use and market value of the passenger motor vehicle is referred to as a <i>nonconformity</i> .
5. <b>Warranty defined</b>	Not defined.
6. <b>Lemon law rights period</b>	Not defined.
7. <b>Manufacturer’s obligation to repair</b>	If a motor vehicle does not conform to all applicable express warranties and the consumer reports the nonconformity to the manufacturer, its agent, or authorized dealer during the warranty term or during the period of one year following the date of the vehicle’s original delivery to a consumer, whichever comes first, the manufacturer, its agent, or authorized dealer must make the necessary repairs to conform the vehicle to the warranties.  Repairs are required to be made even after the expiration of the warranty or one-year period.
8. <b>Manufacturer’s obligation to repurchase or replace</b>	If the manufacturer, its agent, or authorized dealer is unable to correct any nonconformity after a <i>reasonable number of repair attempts</i> , the manufacturer must replace or repurchase the passenger motor vehicle.
9. <b>Criteria for reasonable number of repair attempts</b>	Presumed if, during the warranty period or one year from the date of the vehicle’s original delivery to a consumer, whichever is the earlier date, either of the following occurs: (1) The same nonconformity has been subject to repair more than three times and continues to exist; or (2) The vehicle has been out of service for repair for a cumulative total of at least 30 business days.
10. <b>Notice of nonconformity and final opportunity to repair</b>	The presumption does not apply unless the manufacturer has received prior direct notification from or on behalf of the consumer and an opportunity to cure the alleged defect.
11. <b>Affirmative defenses</b>	It is an affirmative defense that: (1) The alleged nonconformity does not substantially impair the use and market value of the passenger motor vehicle; or (2) The nonconformity is the result of abuse, neglect, or unauthorized modifications or alterations of the passenger motor vehicle by a consumer.

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<p><b>12. Refund</b></p>	<p><b>Purchased vehicle</b></p> <p>Refund consists of:</p> <ol style="list-style-type: none"> <li>(1) The full purchase price; and</li> <li>(2) All collateral charges;</li> <li>(3) Less a reasonable allowance for the consumer's use of the vehicle.</li> </ol> <p>According to the North Dakota Office of the Attorney General, earned finance charges are included as collateral charges. North Dakota statutes provide for a refund of excise tax from the state to the consumer (§ 57-40.4-01.1), and a pro rata refund of registration fees from the state to the consumer (§ 39-04-39.4).</p> <p><b>Leased vehicle</b></p> <p>Refund consists of:</p> <p><i>To the lessor—</i></p> <ol style="list-style-type: none"> <li>(1) The lessor's actual purchase cost, less payments made by the lessee;</li> <li>(2) The freight cost, if applicable;</li> <li>(3) The cost for dealer- or manufacturer-installed accessories, if applicable; and</li> <li>(4) An amount equal to 5% of the lessor's actual purchase cost, in lieu of any early termination costs or penalties described in the lease agreement.</li> </ol> <p><i>To the lessee:</i></p> <ol style="list-style-type: none"> <li>(1) The sum of all payments previously paid to the lessor by the lessee, including all cash payments, security deposits, and trade-in allowance, if any;</li> <li>(2) Less a reasonable allowance for the consumer's use of the vehicle.</li> </ol> <p>North Dakota statutes provide for a refund of excise tax from the state to the consumer (§ 57-40.4-01.1), and a pro rata refund of registration fees from the state to the consumer (§ 39-04-39.4).</p> <p>Upon return of the vehicle, the consumer's lease agreement with the lessor is terminated and no penalty for early termination may be assessed.</p>
<p><b>13. Replacement</b></p>	<p>Replacement is a comparable motor vehicle.</p>
<p><b>14. Reasonable allowance</b></p>	<p>A reasonable allowance for the consumer's use is the amount directly attributable to use by the consumer before the consumer's first report of the nonconformity to the manufacturer, its agent, or dealer, and during any subsequent period when the vehicle is not out of service for repair. The reasonable allowance may not exceed ten cents per mile driven or 10% of the purchase price, whichever is less.</p>
<p><b>15. Refund of sales tax</b></p>	<p>Sales tax not specifically referenced. N.D. statutes provide for a refund of excise tax from the state to the consumer (§ 57-40.4-01.1), and a pro rata refund of registration fees from the state to the consumer (§ 39-04-39.4).</p>
<p><b>16. Enhanced damages</b></p>	<p>Not specified.</p>
<p><b>17. Attorney's fees</b></p>	<p>No provision allowing the consumer to recover attorney's fees.</p>
<p><b>18. Statute of limitations</b></p>	<p>An action must be commenced within six months after the earlier of (1) expiration of the express warranty term or (2) 18 months after the date of the vehicle's original delivery to a consumer.</p>
<p><b>19. Manufacturer-sponsored arbitration</b></p>	<p>The provisions requiring repurchase or replacement do not apply to a consumer who has not first used an informal dispute settlement procedure that substantially complies with 16 C.F.R. Part 703 or an industry appeals, arbitration or mediation appeals board whose decisions are binding on the manufacturer. Upon application, the Attorney General will issue a determination of whether an informal dispute resolution mechanism qualifies.</p>

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20. <b>State-sponsored arbitration</b>	Not specified.
21. <b>Dealer liability</b>	Not specified.
22. <b>Restrictions on resale of returned vehicles</b>	<p>A person may not sell or lease in North Dakota a motor vehicle that was returned to the manufacturer in accordance with the lemon law unless the manufacturer:</p> <ol style="list-style-type: none"> <li>(1) Provides the same express warranty it provided to the original purchaser, except that it must be for at least 12,000 miles or 12 months after the date of resale, whichever is earlier; and</li> <li>(2) Provides the purchaser with a statement on a separate document that must be signed by the manufacturer and purchaser, and must be in 10 point, capitalized type, in substantially the following form: <p style="margin-left: 40px;">IMPORTANT: THIS VEHICLE WAS RETURNED TO THE MANUFACTURER BECAUSE DEFECTS COVERED BY THE MANUFACTURER'S EXPRESS WARRANTY WERE NOT REPAIRED WITHIN A REASONABLE TIME AS PROVIDED BY NORTH DAKOTA LAW.</p> </li> </ol> <p>A person may not ship or deliver for resale or lease in another state a motor vehicle returned to the manufacturer under the lemon law unless full disclosure of the reasons for return is made to any prospective buyer.</p>
23. <b>Point of sale notice of lemon law rights</b>	Not specified.
24. <b>Limitation on waiver</b>	Not specified.

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