

RHODE ISLAND LEMON LAW SUMMARY

| EXECUTIVE SUMMARY | |
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| TIME PERIOD FOR FILING CLAIMS | Earlier of (1) three years following original delivery to the consumer, or (2) two years after 15,000 miles. To file in court, time does not run during participation in informal dispute settlement procedure until 30 days following procedure's final decision. |
| ELIGIBLE VEHICLE | Automobile, truck, motorcycle, or van with less than 10,000 pounds GVW. Excludes motorized campers. Covers used vehicles. |
| ELIGIBLE CONSUMER | (1) Buyer , other than for purposes of resale, of a motor vehicle; (2) any person to whom the motor vehicle is transferred for the same purposes during any express or implied warranty; (3) any other person entitled by the terms of the warranty to enforce its obligations; and (4) lessee of a motor vehicle for one year or more pursuant to a written lease agreement that makes the lessee responsible for repairs to the vehicle, or the lessee of a motor vehicle pursuant to a lease-purchase agreement. |
| TIME PERIOD FOR FIRST OCCURRENCE OR NOTICE | Term of protection (earlier of one year or 15,000 miles following original delivery to a consumer). |
| TIME PERIOD FOR REASONABLE NUMBER OF ATTEMPTS TO REPAIR | Not specified. |
| PRESUMPTION OR DEFINITION | Presumption: during term of protection (earlier of one year or 15,000 miles following original delivery to a consumer), either (1) four or more attempts or (2) out of service for 30 or more calendar days. |
| NOTICE TO MANUFACTURER | Not specified. |
| FINAL OPPORTUNITY TO REPAIR | Before presumption applies, manufacturer has final opportunity not to exceed 7 calendar days, beginning on day manufacturer knows or should have known that terms of <i>presumption</i> have been met. |
| REASONABLE ALLOWANCE | Refund only: miles prior to first report of nonconformity and when not out of service, divided by 100,000 and multiplied by contract price or lessee's aggregate deposit and rental payments |
| DISPUTE RESOLUTION | Must resort to informal dispute settlement procedure if it complies with 16 C.F.R. Part 703 or has been approved by the R.I. Attorney General, and manufacturer, dealer or lessor told consumer about the procedure. Consumer has the option of initiating arbitration with the independent procedure provided by the Attorney General. |
| DISCLOSURE TO SUBSEQUENT PURCHASER | Yes. |
| TITLE BRANDING | No. |

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| 1. Citation | Rhode Island Gen. Laws §§ 31-5.2-1 through 31-5.2-13. |
| 2. Motor vehicle covered | An automobile, truck, motorcycle, or van with a registered gross vehicle weight of less than 10,000 pounds. Excludes motorized campers. Covers used vehicles. |
| 3. Consumer covered | (1) The buyer, other than for purposes of resale, of a motor vehicle; (2) Any person to whom the motor vehicle is transferred for the same purposes during the duration of any express or implied warranty applicable to the motor vehicle; (3) Any other person entitled by the terms of the warranty to enforce its obligations; and (4) The lessee of a motor vehicle for one year or more pursuant to a written lease agreement that makes the lessee responsible for repairs to the vehicle or the lessee of a motor vehicle pursuant to a lease-purchase agreement. Lemon law rights inure to a subsequent transferee. |
| 4. Nonconformity defined | Any specific or generic defect or malfunction, or any concurrent combination of defects or malfunctions, that substantially impairs the use, market value or safety of the motor vehicle. |
| 5. Warranty defined | Not defined. |
| 6. Lemon law rights period | “Term of protection” is the earlier of one year or 15,000 miles of use from the date of the new motor vehicle’s original delivery to a consumer. |
| 7. Manufacturer’s obligation to repair | If a motor vehicle does not conform to any applicable express or implied warranties, including the implied warranty of merchantability and the implied warranty of fitness for a particular purpose, and the consumer reports the nonconformity to the manufacturer, its agent or authorized dealer during the <i>term of protection</i> , then the manufacturer, its agent or authorized dealer must make the necessary repairs to conform the vehicle to the warranty. The necessary repairs must be made even after the expiration of the <i>term of protection</i> . |
| 8. Manufacturer’s obligation to repurchase or replace | If the manufacturer, its agent or authorized dealer or lessor does not conform the motor vehicle to any applicable express or implied warranty by curing any nonconformity after a <i>reasonable number of attempts</i> , the manufacturer must, at the consumer’s option, either replace or repurchase the motor vehicle. |
| 9. Criteria for reasonable number of repair attempts | Presumed if, during the <i>term of protection</i> , either of the following occurs: (1) The same nonconformity has been subject to repair four or more times by the manufacturer, its agents or authorized dealers or lessors, but the nonconformity continues to exist or the nonconformity recurs; or (2) The motor vehicle is out of service by reason of repair of any nonconformity for a cumulative total of 30 or more calendar days |
| 10. Notice of nonconformity and final opportunity to repair | The presumption that a reasonable number of repair attempts has been undertaken does not apply unless the manufacturer is afforded one additional opportunity to cure any nonconformity arising during the <i>term of protection</i> , even if the additional opportunity occurs after the <i>term of protection</i> expires. The additional opportunity to cure the nonconformity may not exceed seven calendar days, and begins on the day the manufacturer first knows or should have known that the terms of the <i>presumption</i> have been met. |
| 11. Affirmative defenses | It is an affirmative defense that: (1) The alleged nonconformity does not substantially impair the use, market value, or safety of the motor vehicle, or (2) The nonconformity is the result of abuse, neglect, or unauthorized substantial modification or alteration of a motor vehicle by the consumer. |
| 12. Refund | Purchased vehicle Refund consists of: (1) The full contract price of the motor vehicle, including all credits and allowances for any |

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| | <p>trade-in vehicle;</p> <p>(2) Reimbursement to the consumer for any “incidental costs” including sales tax, registration fee, finance charges, and any cost of nonremovable options added by an authorized dealer; and</p> <p>(3) Towing and reasonable rental costs that were a direct result of the nonconformity when towing services and rental vehicles of comparable year and size were not made available at no cost to the consumer;</p> <p>(4) Less a reasonable allowance for use.</p> <p>The consumer has the option of retaining the use of any repurchased motor vehicle until the consumer receives the full refund. The continued use of the motor vehicle will be reflected in the reasonable allowance for use.</p> <p>Leased vehicle</p> <p><i>To the lessor:</i></p> <p>(1) 105% of the lessor’s actual purchase costs;</p> <p>(2) Collateral charges, if applicable;</p> <p>(3) Any fee paid to another to obtain the lease;</p> <p>(4) Any insurance or other costs expended by the lessor for the benefit of the lessee; and</p> <p>(5) An amount equal to state and local sales taxes not otherwise included as collateral charges, that were paid by the lessor when the vehicle was initially purchased;</p> <p>(6) Less the aggregate deposit and rental payments previously paid to the lessor for the leased vehicle.</p> <p><i>To the lessee:</i></p> <p>(1) Aggregate deposit and rental payments previously paid to the lessor for the leased vehicle;</p> <p>(2) All credits and allowances for any trade-in vehicle;</p> <p>(3) All “incidental” costs including sales tax, registration fee, finance charges, and any cost of nonremovable options added by an authorized dealer or lessor; and</p> <p>(4) Towing and reasonable rental costs that were a direct result of the nonconformity when towing services and rental vehicles of comparable year and size were not made available at no cost to the consumer;</p> <p>(5) Less a reasonable allowance for use.</p> <p>The lessee’s lease agreement with the lessor is terminated upon payment of the refund, and no penalty for early termination may be assessed. The consumer has the option of retaining the use of any repurchased motor vehicle until the consumer receives the full refund. The continued use of the motor vehicle will be reflected in the reasonable allowance for use.</p> |
| <p>13. Replacement</p> | <p>Replacement is a comparable new motor vehicle in good working order.</p> <p>A replacement motor vehicle must be accompanied with the following amounts:</p> <ol style="list-style-type: none"> 1. Reimbursement to the consumer for any fees for the transfer of registration or any sales tax incurred by the consumer as a result of the replacement; and 2. Towing and reasonable rental costs that were a direct result of the nonconformity when towing services and rental vehicles of comparable year and size were not made available at no cost to the consumer. <p>If the motor vehicle to be replaced was financed or leased by the manufacturer, its subsidiary or agent, the manufacturer, subsidiary or agent may not require the consumer to enter into any refinancing or lease agreement with an interest rate or other financial terms that are less favorable to the consumer than those stated in the original financing agreement or lease.</p> <p>The consumer has the option of retaining the use of the motor vehicle to be replaced until the consumer receives a replacement motor vehicle acceptable to the consumer.</p> <p>The manufacturer has 30 calendar days from the date of the motor vehicle’s return to deliver a comparable motor vehicle. If within that 30 days no comparable motor vehicle has been delivered, the manufacturer must provide a refund as set out above.</p> |
| <p>14. Reasonable allowance</p> | <p>Applies to a refund but not to a replacement. The reasonable allowance for use of a purchased vehicle is calculated in accordance with the following formula:</p> |

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| | <p>Number of miles prior to consumer's first report of nonconformity to the manufacturer, agent or dealer, and during any subsequent <u>period when vehicle not out of service by reason of repair</u> X total contract price of the motor vehicle</p> <p style="text-align: center;">100,000</p> <p>The reasonable allowance for use of a leased vehicle is calculated in accordance with the following formula:</p> <p>Number of miles prior to consumer's first report of nonconformity to the manufacturer, agent or dealer, and during any subsequent <u>period when vehicle not out of service by reason of repair</u> X aggregate deposit and rental payments paid to the lessor</p> <p style="text-align: center;">100,000</p> |
| 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 manufacturer's failure to comply with the lemon law constitutes a deceptive trade practice. |
| 17. Attorney's fees | The court hearing a lemon law complaint may award reasonable attorney's fees to the prevailing consumer. |
| 18. Statute of limitations | An action must be commenced within the earlier of (1) three years of the date of the vehicle's original delivery to the consumer, or (2) two years of the date on which the mileage on the vehicle reached 15,000 miles. The statute of limitations does not run during the period from the initiation of an informal dispute settlement procedure until 30 days following the procedure's final decision. |
| 19. Manufacturer-sponsored arbitration | If the manufacturer has established an informal dispute settlement procedure that complies with 16 C.F.R. Part 703, or that has been approved by the Rhode Island Attorney General, then the provisions requiring refund or replacement do not apply unless the consumer has first resorted to the informal dispute settlement procedure. This requirement does not apply unless the manufacturer, its agents or authorized dealer or lessor has provided the consumer with clear and conspicuous written notice of the procedure at the time of the motor vehicle's delivery. |
| 20. State-sponsored arbitration | The consumer has the option of initiating a request for arbitration with the independent procedure provided by the Attorney General. |
| 21. Dealer liability | Not specified. |
| 22. Restrictions on resale of returned vehicles | A motor vehicle that is returned to the manufacturer under the lemon law may not be resold or re-leased in Rhode Island without clear and conspicuous written disclosure to the prospective purchaser or lessee prior to resale of the fact that it was returned due to a nonconformity. The Attorney General will prescribe the exact form and content of the disclosure statement. |
| 23. Point of sale notice of lemon law rights | Each licensed new car dealer or lessor must prominently post a notice about the Attorney General's Motor Vehicle Arbitration Board. The Board will determine the size, type face, form and wording of the required sign. |
| 24. Limitation on waiver | Any agreement entered into by a consumer for the purchase or lease of a new motor vehicle, that waives, limits, or disclaims lemon law rights is void as contrary to public policy. These rights inure to a subsequent transferee of the motor vehicle. |

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