

TENNESSEE LEMON LAW SUMMARY

EXECUTIVE SUMMARY	
TIME PERIOD FOR FILING CLAIMS	Six months following the later of (1) expiration of the express warranty term or (2) one year following original delivery to a consumer. To file in court, time does not run while consumer participates in informal dispute settlement procedure.
ELIGIBLE VEHICLE	Passenger motor vehicle sold in Tennessee and subject to registration and title in Tennessee or any other state. Excludes motor homes used as a dwelling place, living abode or sleeping place; garden tractors; recreational vehicles or off-road vehicles; and vehicles over 10,000 pounds gross vehicle weight.
ELIGIBLE CONSUMER	(1) Purchaser (other than for purposes of 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 for that vehicle; and (3) any other person entitled by the terms of the warranty to enforce its obligations. Covers subsequent transferee. Excludes any governmental entity or any business or commercial entity that registers three or more vehicles.
TIME PERIOD FOR FIRST OCCURRENCE OR NOTICE	“Term of protection” (earlier of the term of applicable express warranties or one year 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 warranty term or one year following delivery), either (1) 3 or more repair attempts or (2) out of service for 30 or more calendar days.
NOTICE TO MANUFACTURER	Written certified notice.
FINAL OPPORTUNITY TO REPAIR	If presumption met at time of notice; manufacturer is allowed an opportunity to repair not to exceed 10 days.
REASONABLE ALLOWANCE	Consumer’s use prior to the first report of nonconformity and any subsequent period when not out of service, plus an amount for damage. Allowance for use cannot exceed one-half the amount allowed per mile by IRS for use of vehicle for business purposes, plus an amount for loss to the fair market value from damage beyond normal wear and tear unless it resulted from nonconformity.
DISPUTE RESOLUTION	Before obtaining lemon law remedies, must resort to manufacturer’s program if qualified by AG to comply with 16 C.F.R. Part 703 and lemon law.
DISCLOSURE TO SUBSEQUENT PURCHASER	No.
TITLE BRANDING	No.

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1. Citation	Tennessee Code Ann. 55-24-201 through 55-24-212.
2. Motor vehicle covered	Covers a passenger motor vehicle that is sold in Tennessee and is subject to registration and title in Tennessee or any other state. Excludes motor homes used as a dwelling place, living abode or sleeping place; garden tractors; recreational vehicles or off-road vehicles; and vehicles over 10,000 pounds gross vehicle weight.
3. Consumer covered	<p>(1) The purchaser (other than for purposes of resale) or the lessee of a motor vehicle;</p> <p>(2) Any person to whom the motor vehicle is transferred during the duration of an express warranty for that vehicle; or</p> <p>(3) Any other person entitled by the terms of the warranty to enforce its obligations.</p> <p>The lemon law does not cover any governmental entity or any business or commercial entity that registers three or more vehicles.</p> <p>Lemon law rights inure to a subsequent transferee of the motor vehicle.</p>
4. Nonconformity defined	<p>Not defined. Any nonconformity to the warranty, defect or condition that substantially impairs the motor vehicle is referred to as a <i>nonconformity</i>.</p> <p>“Substantially impair” is defined to mean to render a vehicle unreliable or unsafe for normal operation or to reduce its resale market value below the average resale value for comparable vehicles.</p>
5. Warranty defined	Not defined.
6. Lemon law rights period	“Term of protection” is the term of applicable express warranties or one year following the date of the motor vehicle’s original delivery to a consumer, whichever comes first.
7. Manufacturer’s obligation to repair	If a new 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 term of protection, then the manufacturer, its agent or authorized dealer must correct the nonconformity. Repairs must be made even if the term of protection has expired.
8. Manufacturer’s obligation to repurchase or replace	If the manufacturer, its agent or authorized dealer is unable to conform the motor vehicle to any applicable express warranty by correcting a nonconformity after a <i>reasonable number of attempts</i> , then the manufacturer must replace or repurchase the motor vehicle.
9. Criteria for reasonable number of repair attempts	<p>Presumed if either of the following occurs:</p> <p>(1) The same nonconformity has been subject to repair 3 or more times by the manufacturer, its agents or authorized dealers during the term of protection, but the nonconformity continues to exist; or</p> <p>(2) The motor vehicle is out of service by reason of repair for a cumulative total of 30 or more calendar days during the term of protection.</p>
10. Notice of nonconformity and final opportunity to repair	<p>The consumer or a representative must give written notification by certified mail directly to the manufacturer of the need for correction or repair of the nonconformity. If the manufacturer’s address is not readily available in the owner’s manual or manufacturer’s warranty received by the consumer at the time of purchase, the consumer can mail the notification to an authorized dealer who will forward it to the manufacturer.</p> <p>If the presumption of a reasonable number of repair attempts has been met at the time of the notice, the manufacturer must be given an additional opportunity, not to exceed 10 days, to correct or repair the nonconformity.</p>
11. Affirmative defenses	<p>It is an affirmative defense that:</p> <p>(1) The alleged nonconformity does not substantially impair the motor vehicle, or</p> <p>(2) The nonconformity is the result of abuse, neglect or unauthorized modifications or alterations of the vehicle by a consumer.</p>

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<p>12. Refund</p>	<p>Purchased vehicle</p> <p>Refund consists of:</p> <ol style="list-style-type: none"> (1) <i>Full purchase price</i>, meaning the actual cost paid by the consumer; and (2) All <i>collateral charges</i>, meaning manufacturer-installed or agent-installed items or service charges, credit life and disability insurance charges, sales taxes, title charges, license fees, registration fees, any similar governmental charges and other reasonable expenses incurred for the purchase of the motor vehicle; (3) Less a reasonable allowance for use. <p>Leased vehicle</p> <p>Refund consists of:</p> <p><i>To the lessee</i></p> <ol style="list-style-type: none"> (1) Aggregate deposit and rental payments previously paid to the lessor for the leased vehicle; (2) Less “service fees”. <p>“Service fees” are the portion of any lease payment attributable to a) an amount for earned interest calculated on the rental payments previously paid to the lessor for the leased vehicle at an annual rate equal to two points above the prime rate in effect on the date the lease was executed; and b) any insurance or other costs expended by the lessor for the benefit of the lessee.</p> <p><i>To the lessor</i></p> <ol style="list-style-type: none"> (1) Actual purchase cost of the vehicle; (2) Freight (if applicable); (3) Accessories (if applicable); (4) Any fee paid to another to obtain the lease; and (5) 5% of the lease price; (6) Less the aggregate deposit and rental payments previously paid to the lessor for the leased vehicle.
<p>13. Replacement</p>	<p>Replacement is a “comparable motor vehicle”, meaning a new motor vehicle of comparable worth to the same make and model with all options and accessories, with appropriate adjustments being allowed for any model year differences.</p> <p>The provisions relating to replacement do not affect the interests of a lienholder. Unless the lienholder consents to the replacement of the lien with a corresponding lien on the replacement vehicle, the lienholder must be paid in full the amount due on the lien, including interest and other charges, before an exchange of motor vehicles or a refund to the consumer is made.</p> <p>If the nonconforming motor vehicle was financed by the manufacturer or its subsidiary or agent, the manufacturer, subsidiary or agent must not require the consumer to enter into any refinancing agreement that would create any financial obligations beyond those imposed by the original financing agreement.</p>
<p>14. Reasonable allowance</p>	<p>Does not apply to a refund of a leased vehicle. The reasonable allowance for use is that amount directly attributable to use by a consumer prior to the first report of the nonconformity to the manufacturer, agent or dealer, and during any subsequent period when the vehicle is not out of service by reason of repair; plus a reasonable amount for any damage not attributable to normal wear. The reasonable allowance for use cannot exceed one-half the amount allowed per mile by the Internal Revenue Service (Section 162 of the Internal Revenue Code), for use of a personal vehicle for business purposes, plus an amount to account for any loss to the fair market value of the vehicle resulting from damage beyond normal wear and tear unless the damage resulted from nonconformity to an express warranty.</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.</p>

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17. Attorney's fees	If a consumer finally prevails in any action brought under the lemon law, the consumer will be allowed by the court to recover aggregate costs and expenses, including attorneys' fees based on actual time expended, determined by the court to have been reasonably incurred for or in connection with the commencement and prosecution of the action.
18. Statute of limitations	An action must be commenced within six months following the later of (1) expiration of the express warranty term, or (2) one year following the date of the vehicle's original delivery to a consumer. The statute of limitations does not run for the period beginning on the date when the consumer submits a dispute to an informal dispute settlement procedure and ending on the date of the procedure's decision or the date before which the manufacturer is required by the decision to fulfill its terms, whichever is later.
19. Manufacturer-sponsored arbitration	The provisions requiring repurchase or replacement do not apply to a consumer who has not first used an informal dispute settlement procedure that complies with 16 C.F.R. Part 703 and the lemon law. The Attorney General will issue a determination whether the procedure qualifies.
20. State-sponsored arbitration	Not specified.
21. Dealer liability	No action may be commenced or maintained under the lemon law against the seller or lessor unless (1) the seller or lessor is also the manufacturer; (2) the manufacturer is not subject to service in Tennessee; (3) service cannot be secured by the long-arm statutes; or (4) the manufacturer has been judicially declared insolvent.
22. Restrictions on resale of returned vehicles	Not specified.
23. Point of sale notice of lemon law rights	The Motor Vehicle Commission will promulgate a rule requiring dealers to make information about the lemon law available to customers.
24. Limitation on waiver	Any agreement entered into by a consumer for or in connection with the purchase or lease of a new motor vehicle that waives, limits or disclaims lemon law rights is void as contrary to public policy.

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