

VERMONT LEMON LAW SUMMARY

EXECUTIVE SUMMARY	
TIME PERIOD FOR FILING CLAIMS	One year following the later of (1) the expiration of the express warranty term or (2) the manufacturer's final repair attempt of the nonconformity that gave rise to the consumer's request for repurchase or replacement.
ELIGIBLE VEHICLE	<p>Passenger motor vehicle purchased, leased or registered in Vermont.</p> <p>Excludes tractors, motorized highway building equipment, road-making appliances, snowmobiles, motorcycles, mopeds, the living portion of recreational vehicles, or trucks with a gross vehicle weight over 12,000 pounds.</p> <p>Covers used vehicles if still under the manufacturer's express warranties.</p>
ELIGIBLE CONSUMER	<p>(1) Purchaser, other than for purposes of resale, of a motor vehicle still under the manufacturer's express warranty; (2) lessee, other than for purposes of sub-lease, of a motor vehicle still under the manufacturer's express warranty and that has not been previously leased by another person; (3) any person to whom the motor vehicle is transferred during the duration of an express warranty applicable to the motor vehicle; and (4) any other person entitled by the terms of the warranty to enforce its obligations.</p> <p>Excludes any government entity, or any business or commercial enterprise that registers or leases three or more motor vehicles.</p>
TIME PERIOD FOR FIRST OCCURRENCE OR NOTICE	During the term of the warranty.
TIME PERIOD FOR REASONABLE NUMBER OF ATTEMPTS TO REPAIR	Not specified.
PRESUMPTION OR DEFINITION	Presumption: either (1) three or more repair attempts, with at least the first repair attempt within the warranty term; or (2) out of service for 30 or more calendar days during the warranty term.
NOTICE TO MANUFACTURER	After reasonable repair attempts or out of service for 30 calendar days, must send written notice of nonconformity, claim for replacement or repurchase, and election to either informal dispute settlement procedure or state-operated arbitration board.
FINAL OPPORTUNITY TO REPAIR	Within 40 days after written notice.
REASONABLE ALLOWANCE	Refund only: consumer's miles up to date of first repair attempt, divided by 100,000, multiplied by purchase price. For leased vehicles, divide by miles allowed in the lease contract and multiply by deposit and rental payments.
DISPUTE RESOLUTION	Consumer elects informal dispute settlement procedure or state-operated arbitration.
DISCLOSURE TO SUBSEQUENT PURCHASER	Yes.
TITLE BRANDING	Yes.

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1. Citation	Vermont Stat. Ann. Title 9 §§ 4170 through 4181.
2. Motor vehicle covered	Covers a passenger motor vehicle purchased, leased or registered in the state. Excludes tractors, motorized highway building equipment, road-making appliances, snowmobiles, motorcycles, mopeds, the living portion of recreational vehicles, or trucks with a gross vehicle weight over 12,000 pounds. “New motor vehicle” is a passenger motor vehicle that is still under the manufacturer’s express warranty.
3. Consumer covered	(1) The purchaser, other than for purposes of resale, of a motor vehicle still under the manufacturer’s express warranty; (2) The lessee, other than for purposes of sub-lease, of a motor vehicle still under the manufacturer’s express warranty and that has not been previously leased by another person; (3) Any person to whom the motor vehicle is transferred during the duration of an express warranty applicable to the motor vehicle; and (4) 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 or leases three or more motor vehicles.
4. Nonconformity defined	Not defined. A defect or condition covered by the warranty that substantially impairs the use, market value or safety of the motor vehicle to the consumer is referred to as a <i>nonconformity</i> .
5. Warranty defined	Includes “express warrant” as defined in the Uniform Commercial Code, plus any written warranty of the manufacturer.
6. Lemon law rights period	Not specified.
7. Manufacturer’s obligation to repair	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 term of the warranty, then the manufacturer must cause to be made the necessary repairs to conform the motor vehicle to the express warranties. The necessary repairs must be made even after the expiration of the warranty term.
8. Manufacturer’s obligation to repurchase or replace	If the manufacturer, its agents or authorized dealers are unable to conform the motor vehicle to any express warranty by repairing or correcting any nonconformity after a <i>reasonable number of attempts</i> , the manufacturer must, at the option of the consumer, either replace or repurchase the motor vehicle. Note that a consumer cannot pursue a remedy under the lemon law if he or she has discontinued financing or lease payments.
9. Criteria for reasonable number of repair attempts	Presumed if either of the following occurs: (1) The same nonconformity, as identified in any written examination or repair order, has been subject to repair at least three times by the manufacturer, its agent or authorized dealer, at least the first repair attempt occurs within the express warranty term, and the same nonconformity continues to exist; or (2) The motor vehicle is out of service by reason of repair of one or more nonconformities for a cumulative total of 30 or more calendar days during the express warranty term. A motor vehicle is not out of service if it is available to the consumer for a major part of the day. For purposes of the <i>presumption</i> , repair attempts must be evidenced by a written examination or repair order issued by the manufacturer, its agent or authorized dealer. The repair attempts must be undertaken by the same agent or authorized dealer unless the consumer shows good cause for taking the vehicle to a different agent or authorized dealer.

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<p>10. Notice of nonconformity and final opportunity to repair</p>	<p>After reasonable attempt to repair or correct the nonconformity, or after the motor vehicle is out of service by reason of repair to one or more nonconformities for 30 or more calendar days, the consumer must notify the manufacturer (and lessor, if applicable) in writing of the nonconformity and the consumer's claim for replacement or repurchase. The written notice must be on a form provided by the manufacturer at the time of the motor vehicle's original delivery.</p> <p>On the written notice, the consumer will elect to use the dispute settlement mechanism established by the manufacturer or the state-operated arbitration board. Arbitration must be held within 45 days after receipt by the manufacturer or the state board of the written notice. Within this 45 day period, the manufacturer must be given a final opportunity to correct and repair the nonconformity. Any right to a final repair attempt is waived if the manufacturer does not complete it at least five days prior to a hearing.</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, market value or safety, or (2) The nonconformity is the result of abuse, neglect, or unauthorized modifications or alterations of a motor vehicle by a 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 as indicated in the purchase contract, including all credits and allowances for any trade-in or downpayment; (2) Finance charges, credit charges, registration fees and any similar charges; and (3) Incidental and consequential damages; (4) Less a reasonable allowance for the consumer's use of the vehicle. <p>Any Vermont motor vehicle purchase and use tax paid by the consumer will be refunded in the proportionate amount by the state to the consumer. To receive a refund, the consumer must file a claim with the Department of Motor Vehicles within 90 days of the effective date of the "order". DMV has interpreted this provision to apply only to decisions issued by the state-operated arbitration board.</p> <p>Leased Vehicle</p> <p><i>To the lessee:</i></p> <ol style="list-style-type: none"> (1) Aggregate deposit previously paid to the lessor by the lessee, including but not limited to all cash payments and trade-in allowances tendered by the lessee to the lessor under the lease agreement; (2) Rental payments previously paid to the lessor by the lessee; and (3) Incidental and consequential damages, if applicable; (4) Less a reasonable allowance for the consumer's use of the vehicle; and (5) Less allocated payments for purchase and use tax. <p><i>To the lessor:</i></p> <ol style="list-style-type: none"> (1) The lessor's actual purchase cost, less payments made by the lessee; (2) The freight cost, if applicable; (3) The cost for dealer- or manufacturer-installed accessories, if applicable; (4) Any fee paid to another to obtain the lease; and (5) An additional 5% of the lessor's actual purchase cost, provided instead of any early termination costs. <p>Any Vermont motor vehicle purchase and use tax will be refunded in the proportionate amount by the state to whomever paid the tax. To receive a refund, the consumer must file a claim with the Department of Motor Vehicles within 90 days of the effective date of the "order". DMV has interpreted this provision to apply only to decisions issued by the state-operated arbitration board.</p> <p>The lessee's lease agreement with the lessor and all contractual obligations are terminated, and the lessee is not liable for any further costs or charges to the manufacturer or lessor under the lease agreement. The lessor must release the motor vehicle title to the manufacturer upon payment by the manufacturer of the amounts set out in the lemon law.</p>

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13. Replacement	Replacement is a new motor vehicle from the same manufacturer, if available, of comparable worth to the same make and model, with all options and accessories and with appropriate adjustments being allowed for any model year differences. In the replacement of a leased vehicle, the lease agreement must be amended to incorporate the collateral change with appropriate adjustments for any model year difference and/or excess mileage.
14. Reasonable allowance	<p>Applies to a refund but not to a replacement. The reasonable allowance for use is that amount directly attributable to use by the consumer prior to the first repair attempt.</p> <p>The reasonable allowance for use of a purchased vehicle is calculated in accordance with the following formula:</p> $\frac{\text{number of miles prior to the first repair attempt}}{100,000} \times \text{purchase price}$ <p>The reasonable allowance for use of a leased vehicle is calculated in accordance with the following formula:</p> $\frac{\text{number of miles prior to the first repair attempt}}{\text{number of miles allowed in the lease contract}} \times \text{aggregate deposit and rental payments made by lessee}$ <p>Any miles in excess of those allowed in the lease contract are added to the mileage at the first repair attempt or first day out of service in the above formula.</p>
15. Refund of sales tax	Consumer obtains proportionate refund of purchase and use tax from the state.
16. Enhanced damages	Not specified, although failure of the manufacturer or distributor to comply with a decision by the state-operated arbitration board is an unfair or deceptive practice.
17. Attorney's fees	The party who prevails in an appeal of a decision by the state-operated arbitration board will be awarded the attorney's fees incurred in obtaining confirmation of the decision together with all costs.
18. Statute of limitations	An action must be commenced within one year following the later of (1) the expiration of the express warranty term, or (2) one year following the manufacturer's last attempt at repair of the nonconformity that gives rise to the consumer's request for repurchase or replacement.
19. Manufacturer-sponsored arbitration	After the third repair attempt to repair or correct the nonconformity, or after the motor vehicle is out of service to repair or correct one or more nonconformities for 30 cumulative business days, the consumer must notify the manufacturer and lessor in writing of the nonconformity and the consumer's claim for replacement or repurchase. On the written notice, the consumer will elect to use the dispute settlement mechanism established by the manufacturer or the state-operated arbitration board. The election to proceed before the manufacturer's mechanism or the state arbitration board precludes the consumer's recourse to the method not selected.
20. State-sponsored arbitration	After the third repair attempt to repair or correct the nonconformity, or after the motor vehicle is out of service to repair or correct one or more nonconformities for 30 cumulative business days, the consumer must notify the manufacturer and lessor in writing of the nonconformity and the consumer's claim for replacement or repurchase. On the written notice, the consumer will elect to use the dispute settlement mechanism established by the manufacturer or the state-operated arbitration board. The election to proceed before the manufacturer's mechanism or the state arbitration board precludes the consumer's recourse to the method not selected.
21. Dealer liability	Nothing in the lemon law imposes any liability on a manufacturer's authorized dealer or creates a cause of action by a manufacturer against its authorized agent or dealer. The manufacturer may not engage in reprisals or threats of reprisals, directly or indirectly, against any authorized dealer arising out of the dealer's efforts to repair a motor vehicle under the lemon law.
22. Restrictions on resale of returned vehicles	Any manufacturer, agent or authorized dealer who attempts to resell a motor vehicle after final determination, adjudication or settlement pursuant to any state's lemon law must apprise prospective buyers in Vermont by means of a clearly visible window sticker. A manufacturer is prohibited from reselling in Vermont any vehicle determined or adjudicated as having a serious safety defect. Notice that a vehicle has been returned under the lemon law must also be conspicuously printed on the motor vehicle certificate of title.

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	If a vehicle has been returned to the manufacturer after final determination, adjudication or settlement pursuant to any state's lemon law, any certificate of title for the vehicle must contain the following legend: "This vehicle was returned to the manufacturer pursuant to motor vehicle arbitration board, or similar proceedings, 9 V.S.A. § 4181."
23. Point of sale notice of lemon law rights	The manufacturer of every motor vehicle sold in Vermont must provide a clear and conspicuous written notice of the consumer's lemon law rights at the time of each new motor vehicle's delivery. The manufacturer must provide the consumer with a self-addressed notice in a form satisfactory to the state-operated arbitration board, and sufficient to notify the manufacturer of the consumer's election to proceed under the lemon law. The manufacturer must also provide a clear and conspicuous notice that informs consumers of their lemon law rights.
24. Limitation on waiver	Not specified.

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