

STANDARDS OF THE IDAHO LEMON LAW

The following is a brief explanation of most relevant provisions of the Idaho lemon law. The complete text of the lemon law can be found at Idaho Code section 48-901 *et seq.*

VEHICLES COVERED

The Idaho lemon law covers *motor vehicles* that are sold or licensed in Idaho. The lemon law appears to cover used vehicles, but does not cover motorcycles, farm tractors, trailers, or motor vehicles with a gross laden weight over 12, 000 pounds.

CONSUMERS COVERED

The lemon law covers the following “consumers”:

1. The purchaser or lessee, other than for purposes of resale or sublease, of a new motor vehicle used for personal business use or personal, family, or household purposes; and
2. A person to whom the new motor vehicle is transferred for the same purposes during the duration of an express warranty applicable to the motor vehicle.

VEHICLE CONVERTERS

The lemon law applies to vehicle converters.

PROBLEMS COVERED

The lemon law covers any defect or condition that impairs the use or market value of the motor vehicle to the consumer. This is referred to as a *nonconformity*.

The lemon law provides manufacturers with an affirmative defense if it can be shown that 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.

MANUFACTURER’S DUTY 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 earlier of:

1. The term of the applicable express warranties;
2. The period of two years following the date of the motor vehicle’s original delivery to a consumer; or
3. The period ending on the date on which the mileage on the motor vehicle reaches 24,000 miles;

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Idaho

then the manufacturer, its agent or authorized dealer must make the necessary repairs to conform the motor vehicle to the warranties. The necessary repairs must be made even after the expiration of the manufacturer's warranty term of the two-year period.

MANUFACTURER'S DUTY TO REPURCHASE OR REPLACE A VEHICLE

If the manufacturer, its agents or authorized dealers are unable to conform an **owned** 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 the vehicle's original delivery to a consumer, then the manufacturer must either replace the motor vehicle with a comparable motor vehicle or repurchase 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 **leased** 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 the vehicle's original delivery to a consumer, then the manufacturer must repurchase the motor vehicle. The Idaho lemon law does not provide for the replacement of a leased vehicle.

REASONABLE NUMBER OF REPAIR ATTEMPTS

The manufacturer must repurchase or replace the motor vehicle if a reasonable number of repair attempts to correct a nonconformity occur within three years following the date of the motor vehicle's original delivery to a consumer.

The Idaho lemon law establishes a *presumption* that a reasonable number of attempts has been undertaken to conform a motor vehicle to the applicable express warranties if, during the term of the express warranty, the period of two years following the date of the motor vehicle's original delivery to a consumer, or the period ending with the date on which the mileage on the motor vehicle reaches 24,000 miles, whichever is earlier, any 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; the manufacturer had at least one opportunity to attempt to repair the vehicle; and the nonconformity continues to exist;
2. The motor vehicle is out of service by reason of repair for a cumulative total of 30 or more business days; or
3. A nonconformity results in a complete failure of the braking or steering system and is likely to cause death or serious bodily injury if the vehicle is driven; the nonconformity has been subject to repair at least once by the manufacturer, its agents or authorized dealers; the manufacturer had at least one opportunity to attempt to repair the vehicle; and the nonconformity continues to exist.

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The presumption's two-year or 24,000 mile period is extended if the consumer first reported the nonconformity to the manufacturer, its agent or authorized dealer during the term of the applicable express warranty, and if the reasonable number of repair attempts occur within three years following the date of the motor vehicle's original delivery to a consumer.

The term of an applicable express warranty, the two year period, and the 30 day period are extended by any period of time during which repair services are not available to the consumer because of war, invasion, strike, or fire, flood, or other natural disaster.

NOTICE AND OPPORTUNITY TO REPAIR

The presumption that a reasonable number of repair attempts has occurred does not apply against a manufacturer unless the manufacturer, its agent or authorized dealer has received prior written notification from or on behalf of the consumer and has had an opportunity to cure the alleged defect. If the manufacturer's agent or authorized dealer receives the notification, the agent or dealer must forward it to the manufacturer by certified mail, return receipt requested. If the manufacturer is not notified by either the consumer or the manufacturer's agent or authorized dealer, then the manufacturer has at least one opportunity to cure the alleged defect.

DISPUTE RESOLUTION

Any manufacturer doing business in Idaho, entering into franchise agreements for the sale of its vehicles in Idaho, or offering express warranties on its vehicles sold or distributed in Idaho, must operate or participate in an informal dispute settlement mechanism. The informal mechanism must be located in Idaho and must comply with 16 C.F.R. Part 703 and the lemon law.

The lemon law provisions requiring repurchase or replacement of a nonconforming motor vehicle 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.

TIME PERIOD FOR FILING CLAIMS

An action must be commenced within three years of the date of the vehicle's original delivery to a consumer. A consumer who applies to an informal dispute settlement mechanism may commence an appeal of the mechanism's decision with three months after the date of the mechanism's final decision.

REMEDIES UNDER THE IDAHO LEMON LAW

REPURCHASE OF OWNED VEHICLES

The Idaho lemon law sets out the following amounts that a manufacturer must pay when it repurchases an owned motor vehicle under the lemon law:

1. The amount the consumer paid for the motor vehicle, including the value of any trade-in, not to exceed 105% of the Manufacturer's Suggested Retail Price of the motor vehicle (the M.S.R.P. includes all manufacturer-installed options and the cost of any options or other modifications arranged, installed, or made by the manufacturer's agent or authorized dealer within 30 days after the date of original delivery); and
2. All other charges, including but not limited to sales or excise tax (see below), license fees, registration fees, 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.

The sales or excise tax refunded by the manufacturer to the consumer is calculated using the following formula:

$$\text{Tax paid}^* - \left(\text{Tax paid}^* \times \frac{\text{Reasonable allowance for use}}{\text{Vehicle's purchase price}} \right)$$

* Tax paid by the consumer when the vehicle was purchased.

Refunds must be made to the consumer and lienholder, if any, as their interests appear on the records of the Division of Motor Vehicles of the Idaho Transportation Department.

The reasonable allowance for use may not exceed the amount determined by the following formula:

$$\frac{\text{Number of miles attributable to the consumer up to the date of the arbitration hearing}}{\text{-----}} \times \text{purchase price}$$

120,000

REPURCHASE OF LEASED VEHICLES

The Idaho lemon law sets out the following amounts that a manufacturer must pay when it repurchases a leased motor vehicle under the lemon law:

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To the lessor –

1. The early termination charges; and
2. The residual value of the vehicle as specified in the lease agreement.

To the lessee –

1. The pro rata amount of any down payment paid by the lessee on the written lease (see below); and
2. All other charges actually paid by the lessee, including but not limited to lease payments, sales or excise tax, license fees, registration fees, reimbursement for towing, and rental vehicle expenses incurred by the consumer as a result of the vehicle being out of service for warranty repair.

The pro rata amount of any down payment refunded by the manufacturer is calculated using the following formula:

$$\text{down payment} \quad \times \quad \frac{\text{Number of months remaining after the date of arbitration}}{\text{number of months of the lease agreement}}$$

The Idaho lemon law provides that the repurchase amount be reduced by a reasonable allowance for the consumer's use of the motor vehicle. The reasonable allowance for use is defined as the lease payments made by the lessee until the time of the repurchase award.

The pro rata down payment refund plus the amount refunded to the lessor may not exceed 105% of the motor vehicle's original Manufacturer's Suggested Retail Price.

REPLACEMENT OF OWNED VEHICLES

If a manufacturer replaces an owned vehicle under the Idaho lemon law, the consumer must receive a replacement vehicle that is comparable to the replaced motor vehicle. The reasonable allowance for use does not apply to a replacement.