

## **STANDARDS OF THE KENTUCKY LEMON LAW**

The following is a brief explanation of most relevant provisions of the Kentucky lemon law. The complete text of the lemon law can be found at Kentucky Rev. Stat. 367.840 *et seq.*

### **VEHICLES COVERED**

The Kentucky lemon law applies to a motor vehicle that:

1. Is intended primarily for use and operation on the public highways;
2. Is required to be registered or licensed in Kentucky prior to such use or operation;
3. Has been finally and completely assembled and is in the possession of a manufacturer, factory branch, distributor, wholesaler, or an authorized motor vehicle dealer; and
4. Is in fact new and on which the original title has not previously been issued;

The lemon law does not cover motor homes, motorcycles, mopeds, vehicles with more than 2 axles, farm tractors and other farm machines, and vehicles substantially altered after the initial sale from a dealer to an individual.

A “new motor vehicle” means a motor vehicle that:

1. Has been finally and completely assembled;
2. Is in the possession of a manufacturer, factory branch, distributor, or authorized dealer; and
3. Is in fact new and on which the original title has never been issued.

### **CONSUMERS COVERED**

The lemon law covers any resident person who buys or contracts to buy a new motor vehicle in Kentucky. The lemon law also covers any resident person who leases a new motor vehicle in Kentucky after July 15, 1998. The lemon law does not cover subsequent purchasers or lessees.

### **VEHICLE CONVERTERS**

The lemon law applies to vehicle converters.

### **PROBLEMS COVERED**

The lemon law covers vehicle “nonconformities,” which it defines as the failure to conform with an express warranty in a manner that substantially impairs the use, value or safety of the motor vehicle.

The lemon law provides the manufacturer with an affirmative defense if it can be shown that the nonconformity, defect or condition is the result of abuse, neglect, or unauthorized modification or alteration of the vehicle by the consumer.

## **MANUFACTURER’S DUTY TO REPURCHASE OR REPLACE A VEHICLE**

### **Notice to Manufacturer**

The Kentucky lemon law requires that a consumer notify the manufacturer in writing if the manufacturer or its agents are unable to repair a vehicle nonconformity to the express warranty after a reasonable number of attempts during the first 12,000 miles of operation or during the first 12 months following the date of delivery to the consumer, whichever is the earlier date.

### **Repurchase or Replacement if Nonconformity Not Corrected After Reasonable Number of Attempts**

If, after a reasonable number of attempts within the 12 months/12,000 mile time period specified above, the manufacturer or its agents are unable to repair or correct any nonconformity or defect that substantially impairs the use, value or safety of the motor vehicle, then the manufacturer is required to replace or repurchase the motor vehicle.

### **REASONABLE NUMBER OF REPAIR ATTEMPTS**

The Kentucky lemon law creates a presumption that a reasonable number of attempts have been made if, within the first 12,000 miles of operation or during the period of 12 months following the date of original delivery of the motor vehicle to the consumer buyer, whichever is earlier, either:

1. The same nonconformity, defect or condition has been subject to repair four or more times by the manufacturer, but the nonconformity, defect or condition continues to exist; or
2. The vehicle is out of service/use by reason of repair of the same non-conformity, defect, or condition for a cumulative total of at least 30 calendar days. (This time period is extended by a reasonable time when a vehicle cannot be repaired due to the unavailability of parts or supplies as a result of war, invasion, civil unrest, fire, flood, or natural disaster.)

## **DISPUTE RESOLUTION**

Disputes arising under the lemon law provisions requiring repurchase or replacement must be resolved through the required informal dispute resolution system, prior to seeking any judicial relief.

Each manufacturer transacting business in Kentucky must offer to consumers a comprehensive informal dispute resolution system that accepts warranty disputes occurring during the earlier of the first two years or 25,000 miles of the consumer's or lessor's ownership of the motor vehicle. Note that this requirement is independent of the lemon law provisions, and requires arbitration of certain warranty disputes that might not be covered by the lemon law.

Guidance from the Attorney General indicates that the dispute resolution provisions apply to any new motor vehicle that that would *normally* be used for personal, family or household purposes, regardless of how the individual buyer uses the particular vehicle that is the subject of the dispute. Any vehicle falling within the lemon law's definition of motor vehicle is covered by the dispute resolution provisions.

## **TIME PERIOD FOR FILING CLAIMS**

An action under the lemon law must be commenced within two years after the date of the vehicle's original delivery to a consumer.

## **REMEDIES UNDER THE KENTUCKY LEMON LAW**

### **REPURCHASE**

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

1. the full purchase price paid for the motor vehicle,
2. finance charge,
3. all sales tax,
4. license fee,
5. registration fee,
6. any similar governmental charges, and
7. all collateral charges,
8. less a reasonable allowance for the consumer's use of the vehicle.

Reasonable allowance for the consumer's use means the amount directly attributable to a consumer's use of the vehicle other than those time periods when the vehicle is out of service due to the nonconformity.

### **REPLACEMENT**

When replacing a vehicle under the Kentucky lemon law, the manufacturer must provide a comparable motor vehicle. The reasonable allowance for use does not apply to a replacement.