

STANDARDS OF THE NEW JERSEY LEMON LAW

The following is a brief explanation of most relevant provisions of the New Jersey lemon law. The complete text of the lemon law can be found at N.J. Stat. Ann. § 56:12-29 *et seq.*

For more information about the lemon law, or to obtain a copy of “Consumer's Guide to the New Jersey Lemon Law,” consumers may call the New Jersey Division of Consumer Affairs, Lemon Law Unit at (973) 504-6226, or visit <http://www.njconsumeraffairs.com/ocp/lemguide.htm>.

VEHICLES COVERED

The New Jersey lemon law covers the following types of vehicles if purchased, leased or registered in New Jersey:

1. A passenger automobile, meaning any motor vehicle used and designed for the transportation of passengers, other than an omnibus or school bus;
2. An authorized emergency vehicle, meaning a vehicle of the fire department, police vehicle and such ambulance and other vehicle as approved by the chief administrator when operated in response to an emergency call; and
3. A motorcycle.

The lemon law covers used vehicles, but does not cover the living facilities of motor homes. The New Jersey Attorney General’s Office has indicated that the lemon law does not cover a vehicle with a commercial registration.

CONSUMERS COVERED

The lemon law covers the following “consumers”:

1. The buyer or lessee, other than for purposes of resale or sublease, of a motor vehicle;
2. Any person to whom a motor vehicle is transferred during the duration of a warranty applicable to the motor vehicle; and
3. Any other person entitled by the terms of the warranty to enforce its obligations.

PROBLEMS COVERED

The lemon law covers any *nonconformity*, which it defines as a defect or condition that substantially impairs the use, value or safety of a motor vehicle.

The lemon law provides an affirmative defense if the manufacturer can show that the alleged nonconformity does not substantially impair the use, value, or safety of the new motor vehicle, or the nonconformity is the result of abuse, neglect, or

unauthorized modifications or alterations of the motor vehicle by anyone other than the manufacturer or its dealer.

MANUFACTURER'S DUTY TO REPAIR

If a consumer reports a nonconformity to the manufacturer; an authorized emergency vehicle's manufacturer, co-manufacturer or post-manufacturing modifier; or the dealer or distributor during the first 18,000 miles of operation or during the period of two years following the date of the motor vehicle's original delivery to a consumer, whichever is earlier, then the manufacturer or authorized emergency vehicle's manufacturer, co-manufacturer or post-manufacturing modifier must make or arrange within a reasonable time all repairs necessary to correct the nonconformity.

For vehicles purchased or leased on or after October 1, 2009, the consumer must report the nonconformity during the first 24,000 miles of operation or during the period of two years following the date of the motor vehicle's original delivery to the consumer, whichever is earlier.

MANUFACTURER'S DUTY TO REPURCHASE OR REPLACE A VEHICLE

If the manufacturer; an authorized emergency vehicle's manufacturer, co-manufacturer or post-manufacturing modifier; or the dealer or distributor is unable to repair or correct a nonconformity within a reasonable time during the first 18,000 miles of operation or during the period of two years following the date of the motor vehicle's original delivery to a consumer, whichever is earlier, then the manufacturer, co-manufacturer or post-manufacturing modifier must repurchase or replace the motor vehicle.

For vehicles purchased or leased on or after October 1, 2009, the manufacturer; an authorized emergency vehicle's manufacturer, co-manufacturer or post-manufacturing modifier; or the dealer or distributor must repair or correct a nonconformity within a reasonable time during the first 24,000 miles of operation or during the period of two years following the date of the motor vehicle's original delivery to the consumer, whichever is earlier.

REASONABLE NUMBER OF REPAIR ATTEMPTS

The New Jersey lemon law establishes a *presumption* that a manufacturer; an authorized emergency vehicle's manufacturer, co-manufacturer or post-manufacturing modifier; or the dealer or distributor is unable to repair or correct a nonconformity within a reasonable time if, within the first 18,000 miles of operation or during two years following the date of the motor vehicle's original delivery to a consumer, whichever is earlier, either of the following occurs:

1. Substantially the same nonconformity has been subject to repair three or more times by the manufacturer; an authorized emergency vehicle's manufacturer, co-

manufacturer or post-manufacturing modifier; or the dealer or distributor and the nonconformity continues to exist; or

2. The vehicle is out of service due to repair for one or more nonconformities for a cumulative total of 20 or more calendar days since the original delivery of the motor vehicle and a nonconformity continues to exist.

For vehicles purchased or leased on or after October 1, 2009, the manufacturer; an authorized emergency vehicle's manufacturer, co-manufacturer or post-manufacturing modifier; or the dealer or distributor is *presumed* to have been unable to repair or correct a nonconformity within a reasonable time if, within the first 24,000 miles of operation or during two years following the date of the motor vehicle's original delivery to the consumer, whichever is earlier, one of the following occurs:

1. Substantially the same nonconformity (not likely to cause death or serious bodily injury if the vehicle is driven) has been subject to repair three or more times by the manufacturer; an authorized emergency vehicle's manufacturer, co-manufacturer or post-manufacturing modifier; or the dealer or distributor and the nonconformity continues to exist;
2. The vehicle is out of service due to repair for one or more nonconformities for a cumulative total of 20 or more calendar days (45 or more calendar days for a motorhome) since the original delivery of the motor vehicle and a nonconformity continues to exist; or
3. A nonconformity that is likely to cause death or serious bodily injury if the vehicle is driven has been subject to examination or repair at least once by the manufacturer; an authorized emergency vehicle's manufacturer, co-manufacturer or post-manufacturing modifier; or the dealer or distributor and the nonconformity continues to exist.

The two year term, 20-day period, and 45-day period specified in this section are extended by any period of time during which repair services are not available to the consumer because of war, invasion or strike, or a fire, flood or other natural disaster.

For a motorhome or authorized emergency vehicle, if the consumer presented the vehicle to a repair facility that is not authorized by the manufacturer, co-manufacturer or post-manufacturing modifier to provide service on that vehicle, it will not be considered an examination or repair attempt. If the consumer presents a motorhome to an authorized repair facility and, rather than wait for repairs to the nonconformity, the consumer decides to continue traveling and to seek repair of the same nonconformity at another authorized repair facility, it will be considered as one examination or repair attempt.

Each time a consumer's motor vehicle is returned from being examined or repaired during the specified time/mileage period, the manufacturer, co-manufacturer or post-manufacturing modifier, through its dealer or distributor, must provide to the

This information is not intended as legal advice. Please direct specific questions to your legal counsel.
Updated 1/18/2010 © 2010, Council of Better Business Bureaus, Inc.

consumer an itemized, legible statement of repair which indicates any diagnosis made and all work performed on the vehicle and provides information including but not limited to:

1. A general description or identification of the problem reported by the consumer or an identification of the defect or condition and the source of the defect;
2. The amount charged for parts and the amount charged for labor, if paid by the consumer; and
3. The date and odometer reading when the vehicle was submitted for repair and when the vehicle was made available to the consumer.

NOTICE AND OPPORTUNITY TO REPAIR

The above presumption applies only if (1) the consumer or someone on the consumer's behalf sends notice of a potential claim in writing by certified mail, return receipt requested, to the manufacturer or an authorized emergency vehicle's manufacturer, co-manufacturer, post-manufacturing modifier, dealer or distributor; and (2) the manufacturer or an authorized emergency vehicle's manufacturer, co-manufacturer, post-manufacturing modifier, dealer or distributor has had one opportunity to repair or correct the defect or condition within ten calendar days following receipt of this notification.

Notification by the consumer must take place any time after (1) substantially the same nonconformity was subject to repair two or more times; (2) the vehicle has been out of service by reason of repair for a cumulative of 20 or more calendar days (45 or more calendar days for a motorhome); or (3) for vehicles purchased or leased on or after October 1, 2009, a nonconformity that is likely to cause death or serious bodily injury if the vehicle is driven was subject to examination or repair at least once by the manufacturer or its dealer and the nonconformity continues to exist.

DISPUTE RESOLUTION

If the manufacturer or an authorized emergency vehicle's manufacturer, co-manufacturer or post-manufacturing modifier has established or participates in an informal dispute settlement procedure pursuant to 15 U.S.C. Sec. 2310 and 16 C.F.R. Part 703, or pursuant to the requirements of the lemon law, a consumer may but is not required to submit a dispute to the informal dispute settlement procedure before participating in the Division of Consumer Affairs' summary hearing procedure.

A consumer is not required to participate in either an informal dispute settlement procedure or the Division of Consumer Affairs' summary hearing procedure before filing an action in court.

TIME PERIOD FOR FILING CLAIMS

Not specified. Assuming that the UCC statute of limitations applies, a claim must be filed with BBB AUTO LINE within four years from the date the alleged defect is discovered.

Please note that certain actions must be taken within specified time frames when filing a lemon law claim with BBB AUTO LINE or when seeking a hearing with the Division of Consumer Affairs' Automotive Dispute Resolution Program.

REMEDIES UNDER THE NEW JERSEY LEMON LAW

REPURCHASE OF AN OWNED VEHICLE

A manufacturer must pay the following amounts when it repurchases an owned vehicle under the lemon law:

1. Purchase price of the original motor vehicle, including any stated credit or allowance for the consumer's used vehicle;
2. The cost of any options or other modifications arranged, installed, or made by the manufacturer or its dealer within 30 days after the date of original delivery; and
3. Any other charges or fees, including but not limited to sales tax, license and registration fees, finance charges, reimbursement for towing and reimbursement for actual expenses incurred by the consumer for the rental of a vehicle equivalent to the consumer's vehicle during the period during which the consumer's vehicle was out of service due to a nonconformity;
4. Less a reasonable allowance for vehicle use.

For an authorized emergency vehicle, the manufacturer, co-manufacturer, or post-manufacturing modifier must pay the following amounts when it repurchases an owned vehicle under the lemon law:

1. Full refund of the purchase price of the original emergency vehicle, depending on the source of the nonconformity, including any stated credit or allowance for the consumer's used emergency vehicle;
2. Any other charges or fees, including but not limited to sales tax, license and registration fees, reimbursement for towing and reimbursement for actual expenses incurred by the consumer for the rental of a substitute emergency vehicle, if applicable, for the period during which the consumer's emergency vehicle was out of service due to the nonconformity;
3. Less a reasonable allowance for vehicle use.

Refunds must be made to the consumer and lienholder, if any, as their interests appear on the records of ownership.

The reasonable allowance for use is defined to mean the mileage at the time the consumer first presents the motor vehicle to the dealer, distributor, manufacturer, co-manufacturer, or post-manufacturing modifier for correction of a nonconformity times the purchase price of the vehicle, divided by one hundred thousand miles.

REPURCHASE OF A LEASED VEHICLE

A manufacturer must pay the following amounts when it repurchases a leased vehicle under the lemon law:

To the lessee:

1. A full refund of the amount actually paid by the consumer under the lease agreement; and
2. Any other charges or fees actually paid by the consumer, including but not limited to sales tax, license and registration fees, finance charges, reimbursement for towing and reimbursement for actual expenses incurred by the consumer for the rental of a vehicle equivalent to the consumer's vehicle during the period during which the consumer's vehicle was out of service due to a nonconformity;
3. Less a reasonable use allowance for vehicle use.

To the lessor:

1. A full refund of the vehicle's original purchase price plus any unrecovered interest expense;
2. Less the amount actually paid by the consumer under the lease agreement.

Refunds shall be made to the lessor and lienholder, if any, as their interests appear on the records of ownership. The consumer's lease agreement with the motor vehicle lessor is terminated and no penalty for early termination is assessed.

The reasonable allowance for use is the mileage at the time the consumer first presents the motor vehicle to the dealer, distributor, manufacturer, co-manufacturer, or post-manufacturing modifier for correction of a nonconformity times the lease price of the vehicle, divided by one hundred thousand miles.

REPLACEMENT

When replacing a vehicle under the New Jersey lemon law, the manufacturer must ensure that any lien on the returned motor vehicle is transferred to the replacement vehicle. The reasonable allowance for use does not apply to a replacement.