

## **STANDARDS OF THE ALABAMA LEMON LAW**

The following is a brief explanation of most relevant provisions of the Alabama lemon law. The complete text of the lemon law can be found at Alabama Code Section 8-20A-1 *et seq.*

### **VEHICLES COVERED**

The Alabama lemon law covers self-propelled vehicles intended primarily for use and operation on the public highways. The lemon law does not cover motor homes or any motor vehicle having a manufacturer's gross vehicle weight rating of 10,000 pounds or more.

### **CONSUMERS COVERED**

The lemon law covers the purchaser, other than for purposes of resale, of a new or previously untitled motor vehicle used in substantial part for personal, family or household purposes; and any other person who is entitled to enforce the warranty.

The lemon law does not cover consumers who purchase the vehicle primarily for commercial purposes <sup>1</sup>, and appears not to cover lessees.

### **VEHICLE PROBLEMS COVERED**

The lemon law covers nonconforming conditions. A nonconforming condition means any motor vehicle condition that does not conform to the manufacturer's express warranty, and that:

1. Significantly impairs the use, value or safety of the motor vehicle;
2. Occurs or arises solely in the course of the ordinary use of the motor vehicle;
3. Does not arise or occur as a result of abuse, neglect, modification or alteration of the motor vehicle not authorized by the manufacturer; and
4. Does not arise or occur as a result of any accident or other damage to the motor vehicle that occurs or arises after the vehicle was delivered to the consumer by an authorized dealer.

### **LEMON LAW COVERAGE PERIOD**

The lemon law establishes a lemon law rights period ending one year after the date of the vehicle's original delivery to a consumer or the first 12,000 miles of operation, whichever occurs first.

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<sup>1</sup> *Lipham v. General Motors Corp.*, 665 So.2d 190 (1995)

## **MANUFACTURER'S DUTY TO REPAIR**

The Alabama lemon law provides that the manufacturer must make the necessary repairs to remedy any nonconforming condition if the consumer delivers the vehicle to the manufacturer, its agent or authorized dealer, and the consumer gives notice of the nonconforming condition during the lemon law coverage period.

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

If the manufacturer, its agent or authorized dealer is unable to conform the motor vehicle to any express warranty after reasonable attempts by repairing or correcting a nonconforming condition that first occurred during the lemon law rights period, then the manufacturer must replace or repurchase the motor vehicle, at the option of the consumer.

## **REASONABLE NUMBER OF REPAIR ATTEMPTS**

The Alabama lemon law creates a *presumption* that a manufacturer has had a reasonable number of repair attempts if, during the period of 24 months following the vehicle's delivery or 24,000 miles, whichever comes first, either of the following occurs:

1. The manufacturer, its agent or authorized dealer has attempted to repair the same nonconforming condition three or more times, at least one of which occurs during the lemon law coverage period, plus the manufacturer has made a final attempt to repair, and the nonconforming condition continues to exist; or
2. For a cumulative total of 30 or more calendar days, the vehicle was out of service and in the custody of the manufacturer, its agent or authorized dealer for repair attempts (including the final repair attempt), one of which occurred during the lemon law coverage period.

The 30 day out-of-service period is extended for conditions beyond the control of the manufacturer, its agent or authorized dealer, such as war, invasion, strike, fire, flood, or other natural disaster.

## **NOTICE AND FINAL REPAIR ATTEMPT**

Before commencing a civil action, a consumer must give notice of a nonconforming condition by certified mail to the manufacturer, and demand correction or repair of the nonconforming condition. If, at the time of this notice, the presumption of a reasonable number of repair attempts has been met, the manufacturer is given a final opportunity to cure the nonconforming condition.

Within seven calendar days of receiving the certified notice, the manufacturer must notify the consumer of a reasonably accessible repair facility. After the consumer delivers the vehicle to the authorized repair facility, the manufacturer must attempt to correct the nonconforming condition within 14 calendar days.

## **DISPUTE RESOLUTION**

If the manufacturer has established an informal dispute settlement procedure that complies with 16 C.F.R. Part 703, then the consumer must first exhaust any remedy afforded by the procedure before instituting a cause of action under the lemon law.

## **TIME PERIOD FOR FILING CLAIMS**

Actions must be commenced within three years following the date of original delivery of the motor vehicle to the consumer.

## REMEDIES UNDER THE ALABAMA LEMON LAW

### REPURCHASE

The Alabama lemon law provides that a manufacturer must pay the following amounts when it repurchases a vehicle under the lemon law:

1. the full contract price, including but not limited to charges for undercoating, dealer preparation and transportation charges, and installed options;
2. the nonrefundable portions of extended warranties and service contracts;
3. all collateral charges, including but not limited to sales tax, license and registration fees, and similar government charges;
4. all finance charges incurred by the consumer after the first report of the nonconforming condition to the manufacturer, its agent or authorized dealer; **AND**
5. any incidental damages, including reasonable costs for alternative transportation, incurred during the period that the consumer is without the use of the vehicle because of the nonconforming condition.

The lemon law provides for an offset against any monetary recover of the consumer for the consumer's use of the vehicle. The reasonable allowance for use directly attributable to the consumer is determined by the following formula:

$$\begin{array}{r} \text{reasonable} \\ \text{allowance} = \\ \text{for use} \end{array} = \frac{\begin{array}{l} \# \text{ miles traveled prior to 1st report of} \\ \text{nonconformity to manufacturer/dealer} \end{array}}{100,000} \times \begin{array}{l} \text{full} \\ \text{purchase} \\ \text{price} \end{array}$$

### REPLACEMENT

When replacing a vehicle under the Alabama lemon law, the manufacturer must provide a new vehicle that is comparable to the vehicle that is being replaced. The reasonable allowance for use does not apply to a replacement.