

The Wisconsin Lemon Law

Program overview, hot topics and
discussion.

Lemon Law

- Our WI law was first implemented in 1983
- It was one of the strongest Lemon Laws in the nation
- Every state has a unique Lemon Law

Lemon Law

- Our law was overhauled and redrafted in 2014... has lost some of its strength
- Primarily due to the loss of the double damages clause

Lemon Law

Working highlights of the law.

It's a three-stage process.

- 1) WisDOT assists the consumer to determine whether their vehicle can be classified as a lemon; and whether the vehicle meets the criteria required to be able to file a Lemon Law claim against the manufacturer.

Lemon Law

Working highlights of the law.

A three-stage process.

- 2) If the claim is filed and rejected by the manufacturer, we try and assist the consumer to pursue a claim with one of our state certified third party arbitration programs that work with the consumer and the manufacturer to resolve the situation.

Lemon Law

Working highlights of the law.

A three-stage process.

- 3) Litigation is the third stage to the process – and wholly if the consumer chooses to go that route on their own.

Lemon Law

Working highlights of the law.

Lemon Law motor vehicle determination

- If it was indeed purchased as a **brand new** vehicle vs. a used vehicle
- The vehicle is a car, truck, motorcycle or motor home (with an engine)
- The vehicle developed a defect(s) - (a defect that seriously harms the vehicle's use, value or safety) during its first year of purchase and before the warranty expired

If the consumer answered “yes” to all three points noted above, the vehicle may be considered a “lemon.”

Lemon Law

Working highlights of the law.

What vehicles are covered?

- Any **new** car, truck, motorcycle (50cc and up) or motor home, or other motor-driven vehicle, including demonstrator or executive-driven vehicles, which are purchased, leased or transferred (take possession of the vehicle) to a consumer in Wisconsin
- It does not cover vehicles purchased in other states or via the internet that are delivered outside Wisconsin
- The law does not apply to mopeds, semitrailers or to trailers designed for use in combination with a truck or a truck tractor

Lemon Law

Working highlights of the law.

How long is the consumer covered?

The current Lemon Law includes a three-year deadline for filing a Lemon Law claim.

Lemon Law

Working highlights of the law.

How long is the consumer covered?

The clock starts when the new vehicle in question was delivered (when the consumer was given the keys).

Lemon Law

Working highlights of the law.

So if it is determined that the vehicle qualifies as a “lemon,” the focus must now switch to whether the vehicle in question was delivered (when the consumer was “given the keys”).....

either **BEFORE 3/1/2014**

Lemon Law

Working highlights of the law.

So if it is determined that the vehicle qualifies as a “lemon,” the focus must now switch to whether the vehicle in question was delivered (when the consumer was “given the keys”).....

or **ON or AFTER 3/1/2014?**

Lemon Law

Working highlights of the law.

*If the vehicle was purchased **BEFORE 3/1/2014**, note these items specific to the original law.

How long are you covered?

- The lemon law includes no stated deadline for filing a valid lemon law claim
- A court would decide if the consumer case were too old (Six years is often the length of time referenced in court.)
- WisDOT can assist the consumer with the process steps of filling out the original LL claim form: MV2694

Lemon Law

Working highlights of the law.

The TEETH!

From the original Lemon Law...

The consumer may wish to talk to an attorney if the manufacturer (or 3rd party arbitration) didn't provide any resolution. A court may need to decide if the vehicle is a lemon and what settlement the consumer deserves. If the consumer sues the manufacturer and wins, **they could get twice the amount of any money loss**, plus other costs and attorney fees.

Lemon Law

WisDOT working highlights of the law.

..... **ON or AFTER 3/1/2014**

When a consumer calls, there's important information to gather.

- Consumer's name
- Date of the call and their phone number
- Consumer's initial question
- The make and model of motor vehicle
- The model year
- ... and most importantly, the purchase date of the vehicle

Lemon Law

WisDOT working highlights of the law.

- Determine if the consumer has had communication with the manufacturer in regards to their motor vehicle issue(s)
- The consumer should really try and work the problems out with the manufacturer first, before a LL claim has to be considered
- Has the consumer gotten any satisfaction, or are they at an impasse with the manufacturer's customer service group?

Lemon Law

WisDOT working highlights of the law.

- Unfortunately, more often than not, the manufacturer's customer service group will not provide adequate assistance!
- They tend to shut off the communication lines before there is any semblance of a resolution even offered, or discussed. This is unfortunately, a very common tale.

Lemon Law

WisDOT working highlights of the law.

Starting from the model year and purchase date information, WisDOT can then proceed to see if the motor vehicle has met ONE (not both) of the following LL criteria within the first year of ownership and before the warranty expires:

- The new vehicle has a serious system defect (nonconformity) that can't be fixed in four repair attempts.... **OR...**
- The new vehicle has one or several defects (any system issue - nonconformity) that prevents it from being used for 30 or more cumulative days

Lemon Law

WisDOT working highlights of the law.

One of the issues consumers are running into today is the fact that dealerships are telling them they can't and won't fix their cars.

- We remind the dealerships that according to TRANS 139.06 (10)...
- “Failure to service or repair a motor vehicle in accordance with the terms and conditions of the warranty is a violation...”
- Also, the dealerships have to provide repair order documentation. If repair orders aren't being provided, and this issue needs to be acted upon; contact DATCP.

Lemon Law

WisDOT working highlights of the law.

WisDOT may assist the consumer with the process steps of filling out the LL claim form: MV2691.



MOTOR VEHICLE LEMON LAW NOTICE AND NONCONFORMITY REPORT

Wisconsin Department of Transportation
MV2691 5/20/2014

Demand for relief under Wis. Stat. s.218.0171

See Page 2 for Vehicle Defect and Repair Information

Pursuant to the Wisconsin Lemon Law, I am notifying the manufacturer identified below of the following: *(check only one)*

- My vehicle has been made available for repair at least 4 times for the same defect during its first year under warranty.
- My vehicle has been out of service at least 30 days because of one or more defects during its first year under warranty.
- During the first year of use my warranty expired on: _____ (m/d/yyyy) when the vehicle reached _____ miles.
My vehicle was out of service at least 4 times or for 30 days because of one or more defects prior to that date.

Vehicle Make	Vehicle Model	Vehicle Year	Vehicle Identification Number (VIN)
Mileage of the Vehicle at the First Nonconformity		Purchase Price of the Motor Vehicle	
Name of Selling or Leasing Dealer or Leasing Company		Manufacturer	
Address, City and State of Selling or Leasing Dealer or Leasing Company			Vehicle Delivery Date (m/d/yyyy)
Name of Financial Institution(s) that Financed or Leased Vehicle or that Have a Lien on Vehicle			Loan Account Number(s)

My vehicle has a defect(s) that substantially impairs its use, value or safety. I demand that the manufacturer give me one of the following:

- A comparable replacement vehicle and a refund of my collateral costs. (The manufacturer may, at its option, provide a complete refund of the full purchase price paid for the vehicle, plus any sales tax, finance charge, amount paid by the consumer at the point of sale and all collateral costs. This is to be provided within 45 days, except that 120 days shall be permitted for a vehicle having a gross vehicle weight rating or actual weight in excess of 10,000 pounds.)
- I purchased the vehicle and demand a refund of the full purchase price of the vehicle plus any sales tax, finance charge, amount paid by me at the point of sale and collateral costs, less a reasonable amount for use, calculated in accordance with Wis. Stat. ss.218.0171(2)(b)2.
- I leased the vehicle and demand a refund for the current value of the written lease be given to the motor vehicle lessor and to any holder of a perfected security interest in the vehicle, and a refund to me, the consumer, of all amounts I paid under the written lease plus any sales tax and collateral costs, less a reasonable allowance for use, calculated in accordance with Wis. Stat. ss.218.0171(2)(b)3.

Itemization of collateral costs and any other damages I have incurred in connection with vehicle repairs. *(Examples include alternative transportation, rental care fees and towing costs. Attach additional pages if needed.)* Describe:

Description of non-removable options that have been added to my vehicle after the sale, but not included in the vehicle purchase price. *(Examples include sunroof, rustproofing, roof rack, pinstriping, etc. Attach additional pages if needed.)* Describe:

Description of missing equipment or serious unrepaired vehicle damage. *(Do not include normal wear and tear such as minor dents, scratches, pitted glass, soiled carpets, minor stains or tears. Attach additional pages if needed.)* Describe:

I offer to return my motor vehicle and transfer title after the manufacturer meets my demand for Lemon Law relief. I hereby authorize the manufacturer to contact the financial institution(s) identified above for financing information needed to calculate a refund. Authorization expires 35 days from the date this document is executed. *(see below)*.

NOTICE FOR OWNERS OF A VEHICLE WITH A GROSS VEHICLE WEIGHT RATING OR ACTUAL WEIGHT IN EXCESS OF 10,000 POUNDS: If you, as a heavy vehicle owner, enter into any negotiated written settlement with the manufacturer, you thereby waive all of your rights under the Wisconsin Lemon Law, Wis. Stat. s. 218.0171.

Owner Name (First, MI, Last – Print)	Home (Area Code) Telephone Number <i>(optional)</i>
Co-Owner Name (First, MI, Last – Print) <i>(if any)</i>	Work (Area Code) Telephone Number <i>(optional)</i>
Address, City, State, ZIP Code	FAX (Area Code) Telephone Number <i>(optional)</i>

X

(Owner Signature)

(Date – m/d/yyyy)

Lemon Law

WisDOT working highlights of the law.

WisDOT may assist the consumer with the process steps of filling out the LL claim form: MV2691.

- If the consumer requests a **refund**, the manufacturer has 30 days to provide it
- The refund should include the full purchase price, sales tax, any finance charge, and collateral costs
- Minus the mileage/use deduction allowed by law

Lemon Law

WisDOT working highlights of the law.

Mileage/use deduction formula for motor vehicles:

The vehicle's mileage @ the first defect
 $\div 100,000 \times$ the purchase price
 $=$ mileage charge (\$)

2,500 miles \div 100,00 = 2.5%

2.5% \times \$40,000 = **\$1,000**

Lemon Law

WisDOT working highlights of the law.

If the consumer requests a **comparable new motor vehicle**, no later than 30 days after receiving the Motor Vehicle Lemon Law Notice and Nonconformity Report form MV2691:

- The manufacturer shall agree in writing to provide a comparable new motor vehicle and refund any collateral costs (and charge nothing for mileage/use)
- **or** a refund of the full purchase price plus any sales tax, finance charge, amount paid by the consumer at the point of sale, and collateral costs.... Without the Mileage/use deduction

Lemon Law

WisDOT working highlights of the law.

- If a consumer's LL claim has been denied by the manufacturer (or a consumer just doesn't meet the LL claim filing requirements), inform the consumer that Wisconsin has a certified third party arbitration program they can (or need to) utilize
- **If the manufacturer has a program certified by WisDOT, the consumer must use it before they can sue under the Lemon Law**

Lemon Law

WisDOT working highlights of the law.

- If the certified third party arbitration program doesn't work for the consumer, or they purchased their vehicle from a manufacturer that isn't covered by one of our arbitration programs, the only recourse may be a civil remedy.
- If the consumer sues the manufacturer and wins, they could get the vehicle purchase price, plus other costs and attorney fees.

Lemon Law

Contact Information

- Please check out our official WisDOT website at:
<http://wisconsindot.gov/Pages/dmv/cons-protect/lemon-law/lemonlaw.aspx>
- Call the Lemon Law information line at (608) 267-3635

Wisconsin Lemon Law

QUESTIONS?