

## Wisconsin Lemon Law for purchases made on or after March 1, 2014.

As of March 1<sup>st</sup> 2014, the Wisconsin Lemon Law has seen a number of changes.

Please read all of the following information thoroughly.

If the new motor vehicle you buy or lease turns out to be a "lemon," you can direct the manufacturer to give you one of the following:

1. A comparable replacement vehicle plus all collateral costs.

[The manufacturer may, at its option, provide a complete refund of the full purchase price paid for the vehicle in lieu of a comparable replacement vehicle. The full refund must include a refund of any sales tax, finance charge, amount paid by you (the consumer) at the point of sale and all collateral costs. This is to be provided:

- within 45 days, for a vehicle having a gross vehicle weight rating and actual weight of 10,000 pounds or less
- Within 120 days for a vehicle having a gross vehicle weight rating or actual weight in excess of 10,000 pounds.]

2. A refund of the full purchase price of the vehicle plus any sales tax, finance charge, amount paid by you at the point of sale and collateral costs, less a reasonable amount for mileage/use. The manufacturer has 30 days to provide the refund.
3. If you leased the vehicle, a refund for the current value of the written lease should be given to the motor vehicle lessor and to any holder of a perfected security interest in the vehicle, and you should be refunded all amounts you paid under the written lease plus any sales tax and collateral costs, less a reasonable allowance for mileage/use.

You must use the [Motor Vehicle Lemon Law Notice and Nonconformity Report](#) form (MV2691) to make this election and to agree to return the problem vehicle. See below for additional information.

### What is a "lemon"?

A new vehicle that is no more than a year old and still under warranty is classified as a "lemon" if:

- It has a serious defect the manufacturer or dealer(s) didn't fix in four tries, **or**
- It has one or more defects that prevent you from using it for 30 days or more (the 30 days need not be consecutive).

### Is your vehicle a lemon?

Your vehicle is a lemon if **all** of the following statements are true:

- You bought or leased a new vehicle.
- The vehicle is a car, truck, motorcycle or motor home or other qualifying vehicle described below.
- The vehicle developed a defect or defects during its first year and before the warranty expired.
- The defect seriously harms the vehicle's use, value, or safety.
- One of the following happened during the vehicle's first year and before the warranty expired:
  - The dealer failed four times to fix the same system defect; **OR**
  - The vehicle was “out of service” for 30 days or more due to defects

The law provides that a vehicle is considered "out of service," if a consumer is unable to use the vehicle for its intended purpose because of either of the following:

1. The vehicle is in the possession of the manufacturer, motor vehicle lessor, or an authorized dealer for repair of a defect.
2. The vehicle is in the **possession of the consumer** and the vehicle has a nonconformity that: A) substantially affects the use or safety of the vehicle and B) the manufacturer or dealer has attempted to repair on at least **two** occasions.

## **What is a defect?**

A defect (or a nonconformity) covered by the Lemon Law must seriously affect the use, value or safety of your vehicle and must be covered by the warranty. Conditions that result from abuse, neglect or unauthorized modification or alteration of the motor vehicle by a consumer do not qualify as defects the manufacturer must repair under the law.

An irritating rattle may not be "serious" enough to make your car eligible for a Lemon Law claim. Your vehicle stalling or not running might be.

## **What vehicles are covered?**

The law covers any new car, truck, motorcycle or motor home, or other motor-driven vehicle, including demonstrator or executive-driven vehicles that are purchased, leased, or transferred 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.

Qualifying heavy duty vehicles that have a gross vehicle weight rating or actual gross weight of more than 10,000 pounds, such as trucks and busses, are treated differently under the law. A person can lose the benefits of the lemon law for such vehicles if that person enters into a negotiated written settlement with the manufacturer.

(Obtaining help from a qualified lawyer may be prudent for consumers who have a problem vehicle that may qualify as a “lemon” under the law. It is especially important for owners of heavy duty vehicles who are involved in any type of settlement process.)

## How long are you covered?

The Lemon Law includes a three-year window for filing a Lemon Law claim. This three-year time frame STARTS at first delivery of the motor vehicle to a consumer.

## What should a new vehicle owner do?

- Keep records you might need if your vehicle turns out to have problems severe enough to qualify it for replacement or refund under the Lemon Law.
  - Get a Repair Order for every repair visit, even if the dealership service department doesn't diagnose the problem or attempt a repair.
  - Each Repair Order should show the problem(s) you report, and the dates your vehicle is in the service department.
  - Keep track of the dates your vehicle is out of service and which defect(s) caused the vehicle to be out of service on those dates
  - Safely store your purchase contracts, warranties, and the records described above to prove you have a lemon. Don't keep these items in your car where they may get lost.
- **To file a Lemon Law claim with a manufacturer, for vehicles purchased on or after March 1, 2014,** you are required to use the Wisconsin Department of Transportation's (WisDOT) [Motor Vehicle Lemon Law Notice and Nonconformity Report](#) form (MV2691) to ask the manufacturer for a refund or replacement vehicle. This Lemon Law Notice includes important language required under the lemon law. **So please, fill out the form completely.**
- You will want to send the following items to the manufacturer at the address in your owner's manual. (We recommend you send this information by Certified Mail.)

Please include:

1. [Motor Vehicle Lemon Law Notice and Nonconformity Report](#) form (MV2691)
  2. All dealership Repair Orders
  3. A cover letter detailing your situation
- If you **request a refund**, the manufacturer has 30 days to provide it. Your refund should include the full purchase price, sales tax, any finance charge, and collateral costs (for example, repairs, towing, alternative transportation), minus the mileage/use deduction allowed by law. (A reasonable allowance for use may not exceed the amount obtained by multiplying the full purchase price of the motor vehicle by a fraction, the denominator of which is 100,000, or for a motorcycle, 20,000, and the numerator of which is the number of miles the motor vehicle was driven when the consumer reports the first nonconformity to the motor vehicle dealer.)
  - To receive a refund, a consumer must offer to transfer title of the motor vehicle to the vehicle's manufacturer (this offer is included in the language of the DMV form MV2691). No later than 30 days after that offer, the manufacturer must provide the

consumer with the refund. When the manufacturer provides the refund, the consumer returns the motor vehicle having the nonconformity to the manufacturer and provides the manufacturer with the certificate of title and all endorsements necessary to transfer title to the manufacturer.

- If you **request 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. Upon the consumer's receipt of this writing, the manufacturer shall have until the **45th** day after receiving from the consumer the *Motor Vehicle Lemon Law Notice and Nonconformity Report* form to either provide the **comparable new motor vehicle** or **the refund**. During this period, the manufacturer shall exercise due diligence in locating and providing a comparable new motor vehicle. Even if the manufacturer initially agrees to provide a comparable new motor vehicle, **the manufacturer retains the right to provide the refund if a comparable new motor vehicle does not exist or cannot be delivered within this 45-day period.**
- **The following applies ONLY with respect to “heavy-duty vehicles:** If you **request a comparable new heavy duty 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. Upon the consumer's receipt of this writing, the manufacturer shall have until the **120th** day after receiving from the consumer the *Motor Vehicle Lemon Law Notice and Nonconformity Report* form to either provide the **comparable new motor vehicle** or **the refund**. During this period, the manufacturer shall exercise due diligence in locating and providing a comparable new motor vehicle. Even if the manufacturer initially agrees to provide a comparable new motor vehicle, **the manufacturer retains the right to provide the refund if a comparable new motor vehicle does not exist or cannot be delivered within this 120-day period.**
- When a manufacturer provides a new motor vehicle, the consumer shall return the motor vehicle having the nonconformity to the manufacturer and provide the manufacturer with the certificate of title and all endorsements necessary to transfer title to the manufacturer.
- If you don't get a refund or replacement vehicle by writing the manufacturer, consider using your manufacturer's arbitration program. If your manufacturer has a program certified by WisDOT, you must use it before you can sue under the Lemon Law. If your manufacturer's program is not certified, you do not have to use it. However, if you do use it, you might get a decision you like. You can reject any decision you don't like. See the list of arbitration programs listed below.
- If you cannot reach an agreement with the manufacturer, and either you do not choose to use arbitration or arbitration does not solve the problem, you may wish to file a Lemon Law suit. Talk with an attorney as a court may need to decide if your vehicle is a lemon and what settlement you deserve. If you have to go to court, the Lemon Law will require the manufacturer to pay your attorneys fees, unless you are unreasonable in dealing with the manufacturer or the fees are unreasonable.

- At any stage of the Lemon Law process, if you want to find an attorney who handles Lemon Law cases, contact the State Bar of Wisconsin Attorney Referral Service toll-free at (800) 362-9082, or at (608) 257-4666 or [WisBar Lawyer Referral and Information Service](#).

## **Who can you call for help?**

WisDOT's Dealer & Agent Section licenses and regulates dealers and manufacturers and helps resolve disputes about vehicle sales and warranties. Contact the Dealer & Agent Section at (608) 266-1425 if you have a complaint against a dealer or manufacturer.

The Dealer & Agent Section won't resolve your Lemon Law complaint for you, but it will provide you more information about exercising your rights under the Lemon Law program. If you need further assistance, contact the Dealer & Agent Section at (608) 267-3635 or (608) 266-1425.

## **U.S. DOT auto safety hotline**

If you own a car or truck that you feel has a safety defect you should report the problem to the Hotline at the National Highway Traffic Safety Administration (NHTSA) of the U.S. Department of Transportation (DOT).

The [U.S. DOT Auto Safety Hotline](#) specializes in gathering information about safety problems in motor vehicles and equipment and is your chance to help identify these problems which sometimes lead to recalls. The Hotline can be dialed toll free at (888) DASH-2-DOT or (888) 327-4236 or you can now file your vehicle safety defect report online.

## **Need a speaker?**

WisDOT's Dealer & Agent Section (608) 266-1425 or [dealers.dmv@dot.wi.gov](mailto:dealers.dmv@dot.wi.gov) has speakers for your class or meeting. It's free! Please give us four weeks' notice.

Topics include:

- The Lemon Law program
- Wise car buying

## **Manufacturer arbitration programs:**

Arbitration is an informal way to resolve your complaint without going to court. Arbitrators decide your case based on information you and the manufacturer provide. If your manufacturer has an arbitration program certified by WisDOT, you must use it before suing under the Lemon Law. If it is not certified, you do not have to use it. In either case, arbitration is free, you don't need a lawyer, and you don't have to accept a decision you don't like. Please call the toll-free number for the program's current procedures.

## **Certified by the State of Wisconsin:**

### **BBB Auto Line**

Better Business Bureau Auto Line  
4200 Wilson Blvd.  
Arlington, VA 22203-1838  
(800) 955-5100

**(Certified for:** Audi, Ford, Lincoln, Mercury, Hyundai, Isuzu, Kia, Mazda, Volkswagen, Nissan, Infiniti)

**(Non-certified for:** AM General, General Motors, Saturn, Saab, Geo, Subaru, Bentley Motor, Indian Motorcycle, Land Rover, Lotus Cars, smart USA, Workhorse Custom Chassis)

### **National Center for Dispute Settlement**

43230 Garfield Road, Suite 130  
Clinton Township, MI 48038  
(800) 777-8119

**(Certified for:** Acura, Honda, Lexus, Toyota)

**(Non-certified for:** Mitsubishi, Suzuki, Tesla)

### **DeMars & Associates Ltd.**

P.O. Box 1424  
Waukesha, WI 53187-1424  
(800) 279-5343

### **Consumer Arbitration Program (CAP-Motors)**

**(Certified for:** Porsche)

**(Non-certified for:** Big Dog Motorcycles)

If you purchased your car **before** March 1, 2014, you are subject to the law as it existed before the 2014 changes were made to it. To see instructions related to the old Lemon Law, please use this link: [WI Lemon Law: Before 3/1/2014](#).

If you have Lemon Law program questions:

- E-mail: [WisLemonLaw@dot.wi.gov](mailto:WisLemonLaw@dot.wi.gov)
- Call: (608) 267-3635 or (608) 266-1425
- FAX: (608) 267-0323
- Write to the address below:

Wisconsin Department of Transportation  
Dealer & Agent Section  
c/o Lemon Law Program  
4802 Sheboygan Avenue, Room 201

P.O. Box 7909  
Madison, WI 53707-7909