



U.S. AIR FORCE

BUYING AUTOMOBILES:

Lemon Laws for New and Used Cars



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WHAT ARE YOUR RIGHTS IF YOU BUY A "LEMON"?

If you are unfortunate enough to buy a car of the citrus variety (a.k.a. a "lemon"), you do have some rights under New Mexico's "Lemon Law." Below is a summary of the law.

WHAT VEHICLES DOES THE "LEMON LAW" PROTECT?

The law applies to passenger motor vehicles: cars, pickups, motorcycles, or vans that are sold and registered in New Mexico, normally used for personal, family, or household purposes, with a gross vehicle weight of less than 10,000 pounds. The law does not distinguish between new or used vehicles.

HOW AM I PROTECTED UNDER THE "LEMON LAW"?

Under the "Lemon Law," dealers are required to make all repairs required under the warranty during the term of the warranty OR for one year following delivery, whichever period is shorter. If after a "reasonable number of attempts" at one repair, the dealer is unable to fix the car in fulfillment of the warranty, the manufacturer MUST: (1) replace the car, or (2) refund the full purchase price minus the depreciation of the value of the vehicle for "reasonable use."

The law presumes that the dealer has made the required "reasonable number of attempts" at one repair if:

- a. The dealer has attempted to fix the same problem four or more times within the warranty period OR one year, whichever period is shorter.
- b. The car is in the repair shop for 30 BUSINESS DAYS or more during the warranty period OR one year, whichever period is shorter.

HOW DO I PROTECT MYSELF UNDER THE "LEMON LAW"?

If you think you have a lemon, you MUST notify the manufacturer immediately in order to benefit from the "Lemon Law." After you have notified the manufacturer AND the dealer has made a "reasonable number of attempts" at one repair, the dealer must replace the car or refund your money. If the dealer fails to do this, you may sue the manufacturer. However, if the manufacturer has an informal dispute resolution program (i.e., an arbitration program), you MUST participate in it before you sue in court. If you win in court, the manufacturer must pay your attorney's fees.

Although you must use the manufacturer's arbitration program if there is one, you are NOT bound by any determination by the arbitrator. If you disagree with the arbitrator, you may then sue the manufacturer in court.

If you decide to sue the manufacturer in court, you must do so within 18 months from the date of purchase, or within 90 days following the arbitration's final action, whichever is later.

Even if you do sue in court, the manufacturer may raise the affirmative defense that the problem with the car does not "substantially impair" its use and market value. So, if the problems with your car are minor, then the "Lemon Law" does not apply and does not protect you.

WHAT ABOUT USED "LEMONS?" DOES THIS LAW ALSO COVER USED CAR SALES?

Yes. In 2004 the New Mexico legislature amended The New Mexico Motor Vehicle Quality Assurance act to cover the sales of used automobiles. Any person or business that sells or offers for sale four or more used vehicles to consumers for use as transportation within twelve months and is doing business within the state of New Mexico, but not necessarily located within the state, qualifies as a used motor vehicle dealer under the law.

PROTECTIONS:

The Used Car Lemon Law provides that every used motor vehicle covered by law and offered for sale by a dealer will carry with it an implied warranty for 15 days or 500 miles, whichever comes first. During this warranty period, the vehicle is to be in reasonable safe condition and substantially free of defects that could impair its reasonable use as transportation.

Any defects that meet the conditions above that the dealer is aware of, or reasonable should have been aware of, must be properly disclosed at the time of sale. If not, you can return the vehicle for a full refund of all monies and trade-in property and the purchase agreement can be rescinded. If a defect occurs during the warranty period that was not disclosed, and the dealer should not have reasonable have known about it, then the dealer has two attempts to repair and bring the vehicle up to the minimum standards required by the Used Car Lemon Law. If, after the two attempts, the dealer is unable to remedy the defects, the buyer has the option to rescind the contract and have their money and trade-in property refunded. .

WHAT CAN VOID THE 15 DAY/500 MILE IMPLIED WARRANTY FOR USED CARS?

Any damage that results from off-roading, racing, towing, abuse, misuse, neglect, failure to perform regular required maintenance will void the implied warranty. Also, if you take the defective car to your mechanic during the warranty period to have it repaired, that will also void the implied warranty.

IF I THINK I HAVE PURCHASED A "LEMON," DO I HAVE TO SUE USING THIS LAW?

No. If you buy a "lemon" and you want to sue the manufacturer, you do not have to sue under the Lemon Law." You may sue under other state or federal laws, such as the Uniform Commercial Code and the Magnuson-Moss Act.

NOTE: BEFORE YOU ATTEMPT TO ENFORCE YOUR RIGHTS UNDER NEW MEXICO'S "LEMON LAW" OR UNDER ANY OTHER LAW CONCERNING A "LEMON" VEHICLE, PLEASE CONSULT A LEGAL ASSISTANCE OFFICER.