

Alabama Lemon Law

Section 8-20A-1

Definitions.

As used in this chapter, the following terms shall have the respective meanings as indicated:

- (1) **CONSUMER.** 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 entitled by the terms of such warranty to enforce the obligations of the warranty.

- (2) **MOTOR VEHICLE.** Every vehicle intended primarily for use and operation on the public highways which is self-propelled; provided, however, that the term "motor vehicle" shall not apply to motor homes or to any motor vehicle having a manufacturer's gross vehicle weight rating (GVWR) of 10,000 pounds or more.

- (3) **MANUFACTURER.** The person, firm, or corporation engaged in the business of manufacturing, importing and/or distributing motor vehicles to be made available to a motor vehicle dealer for retail sale.

- (4) **MOTOR VEHICLE DEALER or AUTHORIZED DEALER.** The person, firm, or corporation operating under a dealer agreement from a manufacturer, importer, or distributor and who is engaged regularly in the business of buying, selling or exchanging motor vehicles in this state and who has in this state an established place of business.

- (5) **EXPRESS WARRANTY.** A written warranty, so labeled, issued by the manufacturer of a new motor vehicle, including any terms or conditions precedent to the enforcement of obligations under that warranty.

- (6) **NONCONFORMING CONDITION.** Any condition of a motor vehicle which shall not be in conformity with the terms of any express warranty issued by the manufacturer to a consumer and which: (i) significantly impairs the use, value or safety of the motor vehicle and (ii) occurs or arises solely in the course of the ordinary use of the motor vehicle, and which does not arise or occur as a result of abuse, neglect, modification, or alteration of the motor vehicle not authorized by the manufacturer, nor from any accident or other damage to the motor vehicle which occurs or arises after such motor vehicle was delivered by an authorized dealer to the consumer.

- (7) **NOTICE OF A NONCONFORMING CONDITION.** A written statement which shall be delivered to the manufacturer and which shall describe the subject motor vehicle, the nonconforming condition, and shall describe all previous attempts to correct such nonconforming condition by identifying the person, firm or corporation who or which made such attempt, and the time when such attempt was made.

(8) LEMON LAW RIGHTS PERIOD. The period ending one year after the date of the original delivery of a motor vehicle to a consumer or the first 12,000 miles of operation, whichever first occurs.

Section 8-20A-2

Obligations of manufacturer.

(a) If a new motor vehicle does not conform to any applicable express warranty, and the consumer delivers the motor vehicle to the manufacturer, its agent, or its authorized dealer, and gives notice of the nonconforming condition during the lemon law rights period, the manufacturer of the motor vehicle shall be obligated to make such repairs to the motor vehicle as shall be necessary to remedy any nonconforming condition thereof. Such repairs shall be required even after the expiration of the lemon law rights period provided that notice of the nonconforming condition was first given during the lemon law rights period and provided further that the manufacturer's obligation to repair the nonconforming condition shall not extend beyond the period of 24 months following delivery of the vehicle or 24,000 miles, whichever occurs first.

(b) If, after reasonable attempts, the manufacturer, its agent, or its authorized dealer is unable to conform the motor vehicle to any express warranty by repairing or correcting a nonconforming condition of the motor vehicle which first occurred during the lemon law rights period, the manufacturer shall, at the option of the consumer, replace the motor vehicle with a comparable new motor vehicle or shall accept return of the vehicle from the consumer and refund to the consumer the following:

(1) The full contract price including, but not limited to, charges for undercoating, dealer preparation and transportation charges, and installed options, plus the nonrefundable portions of extended warranties and service contracts;

(2) All collateral charges, including but not limited to, sales tax, license and registration fees, and similar government charges;

(3) All finance charges incurred by the consumer after he first reported the nonconformity to the manufacturer, its agent, or its authorized dealer; and

(4) Any incidental damages which shall include the reasonable cost of alternative transportation during the period that the consumer is without the use of the motor vehicle because of the nonconforming condition. There shall be offset against any monetary recovery of the consumer a reasonable allowance for the consumer's use of the vehicle. Refunds shall be made to the consumer, and any lien holders, as their interests may appear. A reasonable allowance for use is that amount directly attributable to use by the consumer before his first report of the nonconformity to the manufacturer, agent, or authorized dealer, and must be calculated by multiplying the full purchase price of the motor vehicle by a fraction having as its denominator 100,000 and having as its numerator the number of miles that the vehicle travelled before the first report of nonconformity.

(c) It shall be presumed that reasonable attempts to correct a nonconforming condition have been allowed by the consumer if, during the period of 24 months following delivery of the vehicle or 24,000 miles, whichever first occurs, either of the following events shall have occurred:

(1) The same nonconforming condition has been subject to repair attempts three or more times by the manufacturer, its agents or its authorized dealers, at least one of which occurred during the lemon law rights period, plus a final attempt by the manufacturer, and the same nonconforming condition continues to exist; or

(2) The motor vehicle is out of service and in the custody of the manufacturer, its agent, or an authorized dealer due to repair attempts (including the final repair attempt), one of which occurred during the lemon law rights period, for a cumulative total of 30 calendar days, unless such repair could not be performed because of conditions beyond the control of the manufacturer, its agents or authorized dealers, such as war, invasion, strike, fire, flood, or other natural disaster.

Section 8-20A-3

Cause of action against manufacturer.

(a) A consumer sustaining damages as a proximate consequence of the failure by a manufacturer to perform its obligations imposed under this chapter may bring a civil action against the manufacturer to enforce the provisions of this chapter. Prior to the commencement of any such proceeding a consumer must give notice of a nonconforming condition by certified United States mail to the manufacturer and demand correction or repair of the nonconforming condition. If at the time such notice of a nonconforming condition is given to the manufacturer, a presumption has arisen that reasonable attempts to correct a nonconforming condition have been allowed, the manufacturer shall be given a final opportunity to cure the nonconforming condition. The manufacturer shall within seven calendar days of receiving the written notice of nonconforming condition notify the consumer of a reasonably accessible repair facility. After delivery of the new vehicle to the authorized repair facility by the consumer, the manufacturer shall attempt to correct the nonconforming condition and conform the vehicle to the express warranty within a period not to exceed 14 calendar days. If a manufacturer has established an informal dispute settlement procedure which is in compliance with federal rules and regulations, a consumer must first exhaust any remedy afforded to the consumer under the informal dispute procedure of the manufacturer before a cause of action may be instituted under the provisions of this chapter.

(b) It shall be an affirmative defense to any claim against the manufacturer under this chapter that: (i) an alleged nonconforming condition does not significantly impair the use, market value, or safety of the motor vehicle; or (ii) a nonconforming condition is a result of abuse, neglect, or any modification or alteration of a motor vehicle by a consumer that is not authorized by the manufacturer.

(c) If it is determined that the manufacturer has breached its obligations imposed under this chapter, then the consumer shall be entitled to recover, in addition to the remedy provided under Section 8-20A-2 above, an additional award for reasonable attorneys fees.

Section 8-20A-4

Resale of returned motor vehicle.

If a motor vehicle has been returned to the manufacturer under the provisions of this chapter or a similar statute of another state, whether as the result of a legal action or as the result of an informal dispute settlement proceeding, it may not be resold in this state unless:

(1) The manufacturer discloses in writing to the subsequent purchaser the fact that the motor vehicle was returned under the provisions of this chapter and the nature of the nonconformity to the vehicle warranty.

(2) The manufacturer returns the title of the motor vehicle to the Alabama Department of Revenue advising of the return of the motor vehicle under provisions of this chapter with an application for title in the name of the manufacturer. The Department of Revenue shall brand the title issued to the manufacturer and all subsequent titles to the motor vehicle with the following statement:

THIS VEHICLE WAS RETURNED TO THE MANUFACTURER BECAUSE IT DID NOT CONFORM TO ITS WARRANTY.

Section 8-20A-5

No dealership liability.

Nothing in this chapter imposes any liability upon a motor vehicle dealer or authorized dealer or creates a cause of action by a consumer against a motor vehicle dealer or authorized dealer. A motor vehicle dealer or authorized dealer may not be made a party defendant in any action involving or relating to this chapter. The manufacturer shall not charge back or require reimbursement by a motor vehicle dealer or authorized dealer for any costs, including, but not limited to, any refunds or vehicle replacements, incurred by the manufacturer arising out of this chapter.

Section 8-20A-6

Statute of limitations.

Any action brought under this chapter against the manufacturer shall be commenced within three years following the date of original delivery of the motor vehicle to the consumer.