



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2013 Wisconsin Act 101
[2013 Assembly Bill 200]

“Lemon Law”

This memorandum describes 2013 Wisconsin Act 101, relating to the law governing repair, replacement, and refund under a motor vehicle warranty (often referred to as the “lemon law”).

CURRENT LAW

Under current law, if, after a reasonable attempt to repair, a nonconformity in new motor vehicle is not repaired, the manufacturer must accept return of the motor vehicle and: (1) for a purchased vehicle, either replace it with a comparable new motor vehicle or provide a refund to the consumer of the full purchase price plus any sales tax, finance charge, amount paid by the consumer at the point of sale, and collateral costs, less a reasonable allowance for use; or (2) for a leased vehicle, provide a refund to the consumer of the amount the consumer paid under the written lease plus any sales tax and collateral costs, less a reasonable allowance for use. Within 30 days after the consumer offers to transfer the title of the motor vehicle to the manufacturer or to return the motor vehicle to the manufacturer, the manufacturer must provide the consumer with a comparable new motor vehicle or refund. When the manufacturer provides the new motor vehicle or refund, the consumer must return the motor vehicle to the manufacturer and provide the certificate of title. If another person is in possession of the certificate of title, that person must, upon request of the consumer (or, if applicable, the motor vehicle lessor), provide the certificate to the manufacturer or the consumer (or, if applicable, the motor vehicle lessor).

If a manufacturer violates the “lemon law,” the consumer may bring an action in court to recover damages. In such action, the court must award a prevailing consumer twice the amount of any pecuniary loss, together with costs, disbursements, reasonable attorney fees, and any equitable relief the court determines appropriate.

2013 WISCONSIN ACT 101

The Act makes the following changes to current law:

- Retains the 30-day time period for refunds elected by the consumer, but creates a 45-day time period for comparable new motor vehicles and 120-day time period for comparable new heavy-duty vehicles. The Act defines “heavy-duty vehicle” as any motor vehicle having a gross vehicle weight rating or actual gross weight of more than 10,000 pounds.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature’s Web site at: <http://www.legis.wisconsin.gov>.

- Requires a consumer to complete a form prescribed by the Department of Transportation (DOT) to report a nonconformity for repair or to elect a comparable new motor vehicle or refund. If the consumer does not provide all information on the form, the time period for a manufacturer to act in providing a comparable new motor vehicle or refund may not begin until the consumer provides additional information.
- Provides that, if the consumer elects a comparable new motor vehicle, no later than 30 days after receiving the DOT form, the manufacturer must agree, in writing, to provide the consumer with the comparable new motor vehicle or 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.
- Requires a manufacturer to exercise due diligence in locating and providing a comparable new motor vehicle. If the manufacturer agrees to provide a comparable new motor vehicle, the manufacturer retains the right to provide the refund if the manufacturer is unable to provide a comparable new motor vehicle for certain reasons within this 45-day period (or, for a heavy-duty vehicle, 120-day period).
- Requires that, if another person is in possession of the certificate of title, that person must provide the certificate to the manufacturer (or, if applicable, the motor vehicle lessor), and not the consumer.
- Exempts a manufacturer from the “lemon law” if the consumer enters into a negotiated written settlement with the manufacturer regarding any motor vehicle nonconformity and the motor vehicle is a heavy-duty vehicle. However, this provision does not waive the requirement in current law that a motor vehicle returned to the manufacturer may not be sold or leased until full disclosure of the reasons for the return is made to any prospective buyer or lessee.
- Provides that an action in court must be commenced within 36 months after first delivery of the motor vehicle to a consumer.
- Removes the requirement to award twice the amount of any pecuniary loss in an action in court.
- Provides that if a court finds that any party has failed to reasonably cooperate with another party’s efforts to comply with obligations under the “lemon law” that hinders the other party’s ability to comply with or seek recovery, the court may extend any deadlines; reduce any damages, attorney fees, or costs that may be awarded; strike pleadings; or enter default judgment against the offending party.
- Creates a definition for “out of service,” which is used in the definition of “reasonable attempt to repair” under current law. In the Act, “out of service,” with respect to a motor vehicle, means that the vehicle cannot be used by the consumer for the vehicle’s intended purpose as a result of any of the following:
 - The vehicle is in the possession of the manufacturer, motor vehicle lessor, or any of the manufacturer’s authorized motor vehicle dealers for the purpose of performing or attempting repairs to correct a nonconformity.
 - The vehicle is in the possession of the consumer and the vehicle has a nonconformity that substantially affects the use or safety of the vehicle if the nonconformity has been subject to an attempt to repair on at least two occasions.

Effective date: March 1, 2014. The Act first applies with respect to motor vehicles for which the express warranty commences on March 1, 2014.

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