

ALASKA'S LEMON LAW



**Office of the Staff Judge
Advocate
Eielson AFB, Alaska**

354 FW/JA
Legal Assistance & Preventive
Law
Pamphlet Series

A MESSAGE FROM THE ALASKA ATTORNEY GENERAL

*(Provided by the Alaska Department of Law,
Consumer protection Unit,
<http://www.law.state.ak.us/department/civil/consumer/lemonlaw.html>)*

The motor vehicle of today is an expensive and complicated device. Most Alaskans have become dependent on the availability of a motor vehicle to conduct their daily affairs. Unfortunately, some new cars prove less than dependable. They turn out to be lemons. When this happens, the consumer is faced with a problem that is not easily resolved. The Legislature, recognizing the dilemma faced by many new car buyers, enacted a law which has commonly become known as the "Lemon Law".

WHAT ARE THE BENEFITS OF THE LAW?

The Lemon Law (AS 45.45.300) provides protection to buyers of new motor vehicles. If a new vehicle turns out to be defective and has not been properly repaired after a reasonable number of attempts, the law requires a refund or replacement vehicle.

Only a small percentage of new vehicles will be declared lemons. However, all new vehicle buyers may benefit from this law. The manufacturer and the dealer now have a stronger economic incentive to deliver the vehicle free from defects, and if problems develop, to correct them quickly and accurately.

The law encourages the vehicle manufacturers to establish third party arbitration programs. These programs must meet specific standards and must have the approval of the Attorney General. Any

decisions ordered by the arbitration's are binding on the manufacturer but not on the consumer.

This law spells out clearly the owner's, dealer's and manufacturer's responsibilities. It does not limit other rights and remedies that may be available to the owner of a motor vehicle under other provisions of law.

The Lemon Law does not apply to used vehicles.

Alaska has enacted a law that provides protection to buyers of boats and ATV's. See AS 45.27.190 - .220 for more information.

WHAT ARE THE MANUFACTURER'S RESPONSIBILITIES?

If an owner of a new motor vehicle reports a defect or problem, the manufacturer normally, through its dealer or repairing agent, makes the necessary repairs.

If the manufacturer, dealer, or repairing agent has been unable to repair the defect or problem after a reasonable number of attempts, the manufacturer shall, at the owner's option, replace the vehicle or give a refund.

When a manufacturer refunds or replaces a motor vehicle, it is also required to refund any reasonable charges the owner may have paid in shipping the defective motor vehicle back and forth to the nearest authorized facility for repairs.

A manufacturer shall ship its dealer or repairing agent parts necessary for warranty repairs by the fastest means available (generally air freight) with no additional charge for freight or handling.

HOW DOES THE LEMON LAW DEFINE A REASONABLE NUMBER OF ATTEMPTS?

First, for a single defect or condition that defies repairs, the Lemon Law says:

(1) The same nonconformity has been subject to repair three or more times by the manufacturer, distributor, dealer or repairing agent during the term of the express warranty or the one-year period after delivery of the motor vehicle to the original owner, whichever period terminates first, but the nonconformity continues to exist;

Second, for a motor vehicle that has been out of service for an unreasonable period of time due to a single or multiple defects, the Lemon Law says:

(2) The vehicle is out of service for repair for a total of 30 or more business days during the express warranty term or the one-year period referred to in (1) of this section, whichever period terminates first;

WHAT ARE THE HITCHES?

The defect or problem must substantially impair the use or the market value of the vehicle.

The defect or problem must not be the result of alteration, abuse or neglect by the owner or a person other than the dealer or repairing agent.

Any period of time that repairs are not performed for reasons that are beyond the control of the manufacturer, dealer or repairing agent is excluded from the 30-day period. This refers to situations such as labor disputes or natural disasters.

The owner must provide written notice via certified mail to the manufacturer and its dealer or repairing agent. Within 30 days after receiving the notice, the manufacturer may make another final attempt to repair the vehicle.

If you choose a refund over a replacement, the refund will not include any accrued finance charges. The manufacturer may also deduct an allowance for your use of the vehicle and for excess depreciation due to damage, neglect or abuse.

If the manufacturer has an approved informal dispute settlement procedure you will be required to arbitrate your dispute before going to court under the Lemon Law. If the program is not approved by the Attorney General it is your option to arbitrate or to proceed directly to court.

For more information read the Alaska Motor Vehicle Warranties Act (Lemon Law) AS 45.45.300 - AS 45.45.360.

This pamphlet is for basic information on the Lemon Law as it relates to Alaska. It is not intended to take the place of legal advice from a Judge Advocate. There may be important exceptions in some states to the information presented here. Please contact the 354th Fighter Wing Legal Office for questions and further information.



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Tel: (907) 377-4114 / DSN 377-4114