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Even the most dependable car manufacturers sometimes produce what's commonly called a "lemon" ~ a car that frequently breaks down and seems to defy repair.

USED VEHICLES

North Dakota's "lemon law" (North Dakota Century Code Sections 51-07-16 through 51-07-22) applies **only to new cars**. It does not apply to motorcycles, motor homes, **OR used cars**.

- There is no "right to cancel" a vehicle purchase, although many dealers offer a voluntary limited time satisfaction guarantee.
- When you buy a used car, you purchase it "as is." You have little protection against defects that surface after you buy the vehicle, unless you purchased an extended warranty or you can prove the seller lied about the condition of the car.

LEASED CARS

If you leased a car that has been determined to be a lemon, you are entitled to receive a refund of all lease payments, cash payments, and security deposits, less a reasonable deduction for use of the vehicle. Your lease agreement will be cancelled when you return the car, and you cannot be charged a penalty for early termination.

A car may be **resold** or leased again even though it is a lemon, as long as the manufacturer provides a warranty for 12 months or 12,000 miles from the date of resale and provides a statement to the buyer that the car had been returned to the manufacturer as a lemon.

NEW CARS

Before your new car is declared a lemon, the problem must be determined to be one that "substantially impairs the use and market value of the passenger motor vehicle," and the dealer must be given a "reasonable number of attempts" to fix it.

The problem must be reported to the dealer or manufacturer within one year of the purchase or during the term of the warranty, whichever is less. A "reasonable number" is more than three tries, or a cumulative total of 30 business days in which the vehicle is out of service during the term of the warranty or within a year of purchase.

The car owner is required first to attempt to settle the dispute through the manufacturer's arbitration procedures. The manufacturers have third-party arbitration systems set up to work out non-binding settlements. If you are a North Dakota resident, the arbitration hearing must be held in this state.

Many auto manufacturers have their own dispute settlement boards. ***Check your owner's manual for specific information.***

If you are not satisfied with the outcome of the arbitration hearing, you may hire a private attorney and sue the manufacturer for a new car or a refund. A judge will decide who is correct and, if you win, how much you will receive. The law gives you little time to sue, however, so don't delay.

A list of attorneys licensed in North Dakota is available from the Supreme Court's website at ndcourts.gov.