MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 954

S.P. 326

In Senate, March 27, 1987

except

Reference to the Committee on Business Legislation. suggested and ordered printed.

JOY J. O'BRIEN, Secretary of the Senate Presented by Senator BRANNIGAN of Cumberland. Cosponsored by Representative COTE of Auburn, Representative GURNEY of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-SEVEN

AN ACT to Amend the Maine Lemon Law.

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Be it enacted by the People of the State of Maine follows:

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Sec. 1. 10 MRSA §1161, sub-§1, as enacted by PL 1983, c. 145, is amended to read:

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"Consumer" means the purchaser, Consumer. other than for purposes of resale, or the lessee, of a motor vehicle, any person to whom the motor vehicle

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is transferred during the duration of an express war-11 ranty applicable to the motor vehicle and any other person entitled by the terms of the warranty to en-12

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force the obligations of the warranty, the term "consumer" shall not include any governmen-14 tal entity,-or-any-business-or-commercial--enterprise 15

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which-registers-3-or-more-motor-vehicles.

Sec. 2. 10 MRSA §1161, sub-§3, as enacted by PL 1983, c. 145, is amended to read:

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- 3. Motor vehicle. "Motor vehicle" means any motor driven vehicle, designed for the conveyance of passengers or property on the public highways, which is sold or leased in this State, except that the term "motor vehicle" does not include any commercial vehicle with a gross vehicle weight of 8,500 pounds or more.
- Sec. 3. 10 MRSA §1163, sub-§§2, 3 and 4, as amended by PL 1985, c. 220, §3, are further amended to read:
- 13 Failure to make effective repair. Ιf manufacturer or its agents or authorized dealers are 14 15 unable to conform the motor vehicle to any applicable 16 express warranty by repairing or correcting any de-17 fect or condition, or combination of defects or conditions, which substantially impairs the use, safety 18 19 or value of the motor vehicle after a reasonable number of attempts, at the option of the consumer, the manufacturer shall either replace the motor vehicle 20 21 22 with a comparable new motor vehicle or accept return 23 of the vehicle from the consumer and make a refund to 24 the consumer and lienholder, if any, as their interests may appear. The refund shall consist of the following items, less a reasonable allowance for use 25 26 27 of the vehicle:
 - A. The full purchase price or, if a leased vehicle, the lease payments made to date;
- 30 B. All collateral charges, including, but not 31 limited to, sales tax, license and registration 32 fees and similar government charges; and
 - C. Costs incurred by the consumer for towing and storage of the vehicle and for procuring alternative transportation while the vehicle was out of service by reason of repair.

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37 3. Reasonable number of attempts; presumption.
38 It is presumed that a reasonable number of attempts
39 have been undertaken to conform a motor vehicle to
40 the applicable express warranties, if:

A. In the case of a motor vehicle sold before October 1, 1985, the same nonconformity has been subject to repair 4 3 or more times by the manufacturer or its agents or authorized dealers within the express warranty term or during the period of one year following the date of original delivery of the motor vehicle to a consumer, whichever is the earlier date, and at least 2 of those times to the same agent or dealer, but the nonconformity continues to exist;

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- 11 the case of a motor vehicle sold on or Ιn after October 1, 1985, the same nonconformity has 12 13 been subject to repair 4 3 or more times 14 manufacturer or its agents or authorized dealers within the express warranty term, during the pe-15 2 years following the date of original 16 riod of 17 delivery of the motor vehicle to a consumer 18 during the first 18,000 miles of operation. whichever is the earlier date, and at least 2 of 19 20 those times to the same agent or dealer, but the 21 nonconformity continues to exist; or
 - B. The vehicle is out of service by reason of repair, by the manufacturer, its agents or authorized dealer, of any nonconformities covered under subsection 2 for a cumulative total of $\frac{30}{15}$ or more business days during that warranty term or the appropriate time period, whichever is the earlier date.

The term of an ex-

press warranty, the one-year and 2-year periods following delivery and the 30-day 15-day period provided in subsection 3, paragraph B, shall be extended by any period of time during which repair services are not available to the consumer because of a war, invasion, strike or fire, flood or other natural disaster.

Time limit; extension.

- 37 Sec. 4. 10 MRSA §1163, sub-§6, as enacted by PL 1985, c. 220, §3, is amended to read:
- 39 6. <u>Disclosure of notice requirement</u>. No consum-40 er may be required to notify the manufacturer of a 41 claim under this section, unless the manufacturer 42 manufacturer has clearly and conspicuously disclosed

- to the consumer, in the warranty or owner's manual, that written notification of the nonconformity is re-3 quired before the consumer may be eligible for a re-4 fund or replacement of the vehicle. The manufacturer 5 shall include with the warranty or owner's manual the 6 name and address to which the consumer shall send the 7 written notification. In addition, all authorized dealers shall provide to each purchaser a written summary of the consumer rights under this chapter. 8 9 10 The Department of the Attorney General shall prepare such a summary that shall be used by dealers.
- - 6-A. Notification of dealer. Consumers may also satisfy a manufacturer's notice requirement by notifying in writing the authorized dealer of a claim under this section. The dealer shall act as the manufacturer's agent and within 5 business days convey to the manufacturer the consumer's claim.
 - Sec. 6. 10 MRSA §1168 is enacted to read:
- 21 §1168. New car leases

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- For the purposes of this chapter only, the following rules apply to leases of new motor vehicles.
 - l. Warranties. If express warranties are regularly furnished to purchasers of substantially the same kind of motor vehicles:
- 27 <u>A. Those warranties shall be deemed to apply to</u> 28 the leased motor vehicles; and
- B. The lessor and lessee each shall be deemed to be the first purchaser of the motor vehicle for the purpose of any warranty provision limiting warranty benefits to the original purchaser.
 - 2. Lessee's rights. The lessee of a motor vehicle has the same rights under this chapter against the manufacturer and any person making express warranties that the lessee would have under this chapter if the vehicle had been purchased by the lessee. The manufacturer and any person making express warranties

1 2 3 4	have the same duties and obligations under this chapter with respect to the vehicle that the manufacturer and other person would have under this chapter if the goods had been sold to the lessee.
5 6 7 8 9 10 11	Sec. 7. Arbitration study. The Joint Standing Committee on Business Legislation shall study the informal dispute settlement requirements in the Maine Lemon Law and whether that system of arbitration can be improved upon. The committee shall make its report, together with any necessary implementing legislation, to the Second Regular Session of the 113th Legislature.
13	STATEMENT OF FACT
14	The purposes of this bill are to:
15 16 17	 Expand the protection of the Maine Lemon Law to include consumers who lease new cars and who own fleets of motor vehicles;
18 19 20	2. Clarify that the consumer who has been sold the lemon, as defined by this chapter, has the option of deciding whether he would like his money returned or a new motor webicle.

this chapter if his car suffers not only from a particular defect or condition, but from a combination of defects and conditions;

3. Allow the consumer to apply for relief under

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- 4. Change the number of attempts to repair from to 3 and waiting period from 30 days to 15 days to constitute a "reasonable number of attempts;"
- 5. Require the dealer to provide purchasers of any new motor vehicle a summary of the consumer rights under this chapter;
- 32 6. Allow the consumer to notify the dealer of a 33 claim under the Maine Lemon Law, but does not require 34 the consumer to contact the manufacturer; and

7. Require the Joint Standing Committee on Business Legislation to study the informal dispute settlement provisons of the Maine Lemon Law and report
back to the Second Regular Session of the 113th Legislature.

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