

SUMMARY OF THE GEORGIA LEMON LAW

The following is a brief explanation of most relevant provisions of the Georgia Lemon Law, codified at Georgia Code Section 10-1-780 *et seq.*

VEHICLES COVERED

The Georgia Lemon Law covers a new motor vehicle that was leased, purchased or registered in Georgia by the consumer or lessee to whom the original motor vehicle title was issued without previously having been issued to any person other than the new motor vehicle dealer. This includes the self-propelled vehicle and chassis of a motor home. It does not include motorcycles, golf carts, trucks with a G.V.W. rating greater than 12,000 pounds, or vehicles that are bought used.

CONSUMERS COVERED

The Georgia Lemon Law covers a consumer who purchases or leases a new motor vehicle for personal, family, or household uses, and a person that purchases or leases no more than ten new motor vehicles a year for business purposes other than limousine rental services.

PROBLEMS COVERED

The Lemon Law covers vehicle nonconformities. A nonconformity is a defect, **serious safety defect**, or condition that substantially impairs the use, value, or safety of a new motor vehicle to the consumer, or renders the new motor vehicle nonconforming to a **warranty**. A nonconformity does not include a defect, a serious safety defect, or a condition that is the result of abuse, neglect, or unauthorized modification or alteration of the new motor vehicle.

“Serious safety defect” means a life-threatening defect or a malfunction that impedes the consumer’s ability to control or operate the motor vehicle for ordinary use or reasonable intended purposes, or creates a risk of fire or explosion.

“Warranty” means any manufacturer’s express warranty or any affirmation of fact or promise made by the manufacturer in connection with the sale of a new motor vehicle to a consumer concerning the vehicle’s materials, workmanship, operation, or performance which becomes part of the basis of the bargain. The term does not include any extended coverage purchased by the consumer as a separate item or any statements made by the dealer in connection with the sale of the motor vehicle to a consumer which relate to the nature of the material or workmanship and affirm or promise that such material or workmanship is free of defects or will meet a specified level of performance.

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Georgia Lemon Law

REPORT AND REPAIR OF NONCONFORMITIES

Nonconformities must be reported during the **lemon law rights period**, which is the period ending two years after the date of the original delivery of a new motor vehicle to a consumer OR the first 24,000 miles of operation after delivery of a new motor vehicle to the original consumer, whichever occurs first. The lemon law rights period is extended by one day for each day that repair services are not available to the consumer as a direct result of a strike, war, invasion, terrorist act, blackout, fire, flood, other disaster or declared state of emergency.

If a consumer reports a nonconformity during the **lemon law rights period**, the manufacturer, its authorized agent or dealer must be allowed a **reasonable number of attempts** to repair and correct the nonconformity.

REASONABLE NUMBER OF REPAIR ATTEMPTS

A reasonable number of attempts is deemed to have been undertaken by the manufacturer, its authorized agent or the dealer if, during the lemon law rights period:

1. A serious safety defect has been subject to repair one time and has not been corrected;
2. The same nonconformity has been subject to repair three times and has not been corrected; or
3. The vehicle is out of service by reason of repair of one or more nonconformities for a cumulative total of 30 days.

If the lemon law rights period expires while the vehicle is being repaired by the manufacturer through an authorized agent or new motor vehicle dealer, the lemon law rights period is extended until that repair attempt has been completed.

“Repair attempt” means the replacement of a component or some adjustment made to correct a nonconformity. An examination of a reported nonconformity, without any adjustment or component replacement, may constitute a repair attempt if it is later shown that repair work was justified. An examination or repair performed by any person not authorized by the manufacturer or its authorized agent is not considered a repair attempt. If the new motor vehicle is a motor home and the consumer goes to a repair facility for repair of a nonconformity while traveling, and that facility does not have the necessary part(s) to perform the repair, and the consumer elects to continue traveling and seek repair of the nonconformity at another repair facility rather than wait for the initial facility to get the part(s), then the visit to the initial repair facility does not constitute a repair attempt.

An “out of service” day means any day, including weekends and legal holidays, when a vehicle is left at a repair facility of the manufacturer’s agent or dealer for examination or repair of a nonconformity. The number of out of service days for each visit commences the day the vehicle is brought to the facility for that repair work and ends the day the work is completed. Out of service days do not include (1) any day a vehicle is dropped off at the repair facility after close of business; or (2) any day on which the vehicle is left at the repair facility exclusively for routine maintenance; for repair of problems not found to be nonconformities; or for repair of nonconformities after the expiration of the lemon law rights period.

MANUFACTURER’S RIGHT TO FINAL OPPORTUNITY TO REPAIR

If the manufacturer, its agent, or the new motor vehicle dealer is unable to repair and correct a serious safety defect or the same nonconformity after a **reasonable number of attempts**, the consumer must notify the manufacturer and allow a final opportunity to repair. (The requirement for a final opportunity to repair does not apply if the vehicle was out of service by reason of repair of one or more nonconformities for a cumulative total of 30 days within the lemon law rights period.)

This notice must be sent by *certified mail*, return receipt requested, or by *statutory overnight delivery* to the address provided by the manufacturer in the owner’s manual. The manufacturer is then entitled to a final repair attempt, as long as the manufacturer notifies the consumer of a reasonably accessible repair facility within 7 days of receiving the consumer’s notice. The manufacturer must complete the final repair attempt within 28 days after receiving the consumer’s notice.

However, if the consumer delivers the vehicle to the repair facility more than 14 days after the manufacturer received the consumer’s notice, the 28 day period is extended and the manufacturer has 14 days from the date the consumer delivers the vehicle to the repair facility to complete the final repair attempt.

If the manufacturer fails to notify the consumer or complete the final repair within the time periods prescribed above, the final opportunity to repair requirement shall not apply.

Notice sufficiently complies with “statutory overnight delivery” if (1) the notice is delivered through the United States Postal Service (USPS) or through a commercial firm regularly engaged in the business of document and/or package delivery; (2) the document is to be delivered not later than the next business day following the day on which it is received for delivery by USPS or the commercial firm; and (3) the sender receives a receipt, signed by the addressee or its agent, acknowledging receipt of the document.

MANUFACTURER’S OBLIGATION TO REPURCHASE OR REPLACE

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If the manufacturer, through its agent or dealer, is unable to correct a nonconformity after the final repair attempt, or if the vehicle was out of service by reason of repair to one or more nonconformities for a cumulative total of 30 days within the lemon law rights period, the consumer must request, by *certified mail*, return receipt requested, or *statutory overnight delivery* that the manufacturer either repurchase or replace the vehicle, at the option of the consumer. The manufacturer must, within 20 days of receipt of this last request, repurchase or replace the vehicle.

DISPUTE RESOLUTION

If the manufacturer participates in an informal dispute settlement mechanism that has been certified by the Georgia Department of Law's Consumer Protection Unit, then a consumer must submit a dispute under the Lemon Law to the informal dispute resolution procedure before submitting it to the Georgia new motor vehicle arbitration panel. The consumer is not required to use an informal dispute settlement mechanism that has not been certified by the Consumer Protection Unit.

The consumer has the option of either accepting or rejecting the decision of an informal dispute resolution mechanism. If a decision is not rendered by the informal dispute mechanism within forty days of filing, the consumer will become eligible to apply for arbitration by the Georgia new motor vehicle arbitration panel.

The provisions of the Lemon Law are not available to a consumer in a civil action unless the consumer has first exhausted any certified informal dispute settlement mechanism and the Georgia new motor vehicle arbitration panel.

PERIOD FOR FILING CLAIMS

A consumer must file a claim with a certified informal dispute resolution mechanism within one year after the expiration of the lemon law rights period.

A consumer who rejects the decision or determination of a certified informal dispute resolution mechanism may request a hearing with the state-administered panel by requesting, completing, and submitting forms to the Georgia Lemon Law Administration, within one year after expiration of the lemon law rights period or sixty (60) days from the date the certified mechanism concludes its proceedings, whichever occurs later. To request a state arbitration application, please call (404) 651-8600 or (800) 869-1123, or visit www.consumer.georgia.gov.

REMEDIES UNDER THE GEORGIA LEMON LAW

REPURCHASE OF AN OWNED VEHICLE

The Georgia Lemon Law sets out the following amounts that a manufacturer must pay when it repurchases an owned vehicle under the Lemon Law:

1. *Purchase price.* This means the cash price of the vehicle appearing in the sales agreement, including any reasonable allowance for a trade-in vehicle.
2. *Collateral charges.* Collateral charges are those charges incurred by a consumer as a result of the purchase of the vehicle. Collateral charges include but are not limited to:
 - Sales tax;
 - Title charges;
 - Factory or dealer installed options; and
 - Earned finance charges.
3. *Incidental costs.* Incidental costs are any reasonable expenses incurred by the consumer in connection with the repair of the vehicle, including but not limited to:
 - Payments to new motor vehicle dealers for attempted repair of nonconformities;
 - Towing charges; and
 - Costs of obtaining alternative transportation.
4. *Reasonable offset for use.* A reasonable offset for the consumer's use is subtracted from the amounts paid to the consumer. The Lemon Law provides that the reasonable offset for use is computed using the following formula:

$$\text{reasonable offset} = \frac{\text{number of miles directly attributable to consumer's use on the date consumer first delivered the vehicle to manufacturer/agent for repair of a nonconformity}}{120,000 \text{ (90,000 for motor home)}} \times \text{vehicle purchase price}$$

Refunds under this provision will be made to the consumer and to the lien holder of record, if applicable.

REPLACEMENT OF AN OWNED VEHICLE

If a manufacturer replaces an owned vehicle under the Georgia Lemon Law, it must give the consumer a new motor vehicle that is identical or at least equivalent to the motor vehicle to be replaced, as the vehicle to be replaced existed at the time of purchase. In addition to replacing the vehicle, the manufacturer must pay the consumer for:

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1. *Incidental costs.* Incidental costs are any reasonable expenses incurred by the consumer in connection with the repair of the vehicle, including but not limited to:
 - Payments to new motor vehicle dealers for attempted repair of nonconformities;
 - Towing charges; and
 - Costs of obtaining alternative transportation.
2. *Charges.* All charges that the consumer will incur as a result of the replacement transaction.

REPURCHASE OF A LEASED VEHICLE

For repurchase of a leased vehicle, the Georgia Lemon Law requires that the manufacturer pay certain amounts to the lessor and to the lessee. A repurchase award will consist of the following amounts that the manufacturer must pay to the lessee and the lessor:

To the lessee:

1. *Lessee cost.* An amount equal to all payments made by the lessee under the lease agreement, including but not limited to, the aggregate payment made at the inception of the lease agreement or contract, inclusive of any allowance for a trade-in vehicle, and all other lease payments made by or on behalf of the lessee.
2. *Incidental costs.* Incidental costs are any reasonable expenses incurred by the consumer in connection with the repair of the vehicle, including but not limited to:
 - Payments to new motor vehicle dealers for attempted repair of nonconformities;
 - Towing charges; and
 - Costs of obtaining alternative transportation.
3. *Reasonable offset for use.* A reasonable offset for the lessee's use of the nonconforming vehicle is subtracted from the amounts paid to the lessee. The Georgia Lemon Law provides that the reasonable offset for use is computed using the following formula:

$$\text{reasonable offset} = \frac{\text{number of miles directly attributable to consumer's use on the date consumer first delivered the vehicle to manufacturer/agent for repair of a nonconformity}}{120,000 \text{ (90,000 for motor home)}} \times \text{agreed upon value of vehicle shown in lease}$$

To the lessor:

1. An amount equal to 110 percent of the adjusted capitalized cost shown in the lease agreement for the nonconforming vehicle.

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After the manufacturer pays the amount to the lessor, and after the lessee pays the lessor any past due payments, the lease agreement is terminated, with no penalty for early termination.

REPLACEMENT OF A LEASED VEHICLE

If a manufacturer replaces a leased vehicle, the Georgia Lemon Law requires the manufacturer to give the lessee a new motor vehicle that is identical or at least equivalent to the motor vehicle to be replaced, as that vehicle existed at time it was leased. All terms of the existing lease contract will remain in effect, except for the terms of the agreement that identified the vehicle. In addition to replacing the vehicle, the manufacturer must pay the lessor and/or the lessee for certain *charges and incidental costs* as defined below:

1. *Charges*. All charges that either the lessor or the lessee, or both, will incur as a result of the replacement transaction.
2. *Incidental costs*. Incidental costs are any reasonable expenses incurred by the lessee in connection with the repair of the vehicle, including but not limited to:
 - Payments to new motor vehicle dealers for attempted repair of nonconformities;
 - Towing charges; and
 - Costs of obtaining alternative transportation.