

## **Rhode Island Lemon Law**

### Chapter 31-5.2 of Rhode Island Code SECTION 31-5.2-1

§ 31-5.2-1 Definitions. – The following words and phrases which are used in this chapter shall, for the purposes of this chapter, have the following meanings:

(1) "Consumer" means a buyer, other than for purposes of resale, of a motor vehicle, any person to whom that motor vehicle is transferred for the same purposes during the duration of any express or implied warranty applicable to that motor vehicle, and any other person entitled by the terms of that warranty to enforce its obligations.

(2) "Dealer" means any person engaged in the business of selling, offering to sell, soliciting, or advertising the sale of new motor vehicles.

(3) "Lease price" means the aggregate of:

(i) Lessor's actual purchase costs.

(ii) Collateral charges, if applicable.

(iii) Any fee paid to another to obtain the lease.

(iv) Any insurance or other costs expended by the lessor for the benefit of the lessee.

(v) An amount equal to state and local sales taxes not otherwise included as collateral charges, paid by the lessor when the vehicle was initially purchased.

(vi) An amount equal to five percent (5%) of the lessor's actual purchase costs.

(4) "Lessee" means any consumer who leases a motor vehicle for one year or more pursuant to a written lease agreement which provides that the lessee is responsible for repairs to such motor vehicle or any consumer who leases a motor vehicle pursuant to a lease-purchase agreement.

(5) "Lessee cost" means the aggregate deposit and rental payments previously paid to the lessor for the leased vehicle.

(6) "Lessor" means a person who holds title to a motor vehicle leased to a lessee under a written lease agreement or who holds the lessor's rights under such agreement.

(7) "Manufacturer" means any person, partnership, firm, association, corporation, or trust, resident or nonresident, which is engaged in the business of manufacturing or

assembling new motor vehicles, or which is engaged in the business of importing new motor vehicles which are manufactured or assembled outside of the United States.

(8) "Motor vehicle" or "vehicle" means an automobile, truck, motorcycle, or van having a registered gross vehicle weight of less than ten thousand pounds (10,000 lbs.), sold, leased, or replaced by a dealer or manufacturer after May 11, 1984, except that it shall not include a motorized camper as defined in § 31-1-3(q).

(9) "Nonconformity" means any specific or generic defect or malfunction, or any concurrent combination of such defects or malfunctions, that substantially impairs the use, market value, or safety of a motor vehicle.

(10) "Term of protection" means one year or fifteen thousand (15,000) miles of use from the date of original delivery of a new motor vehicle to the consumer, whichever comes first; or, in the case of a replacement vehicle provided by a manufacturer to a consumer under this chapter, one year or fifteen thousand (15,000) miles from the date of delivery to the consumer of that replacement vehicle, whichever comes first.

#### SECTION 31-5.2-2

§ 31-5.2-2 Manufacturers' obligation to fulfill warranties. – If a motor vehicle does not conform to any applicable express or implied warranties, including, but not limited to, the implied warranty of merchantability as defined in § 6A-2-314 and the implied warranty of fitness for a particular purpose as defined in § 6A-2-315, and the consumer or lessee reports the nonconformity to the manufacturer of the vehicle, its agent, or its authorized dealer or lessor during the term of protection, the manufacturer, its agent or its authorized dealer shall effect such repairs as are necessary to conform the vehicle to the warranty, notwithstanding the fact that those repairs are made after the expiration of the term.

#### SECTION 31-5.2-3

§ 31-5.2-3 Replacement of nonconforming vehicle. – (a) If the manufacturer, its agent, or its authorized dealer or lessor does not conform the motor vehicle to any applicable express or implied warranty by curing any nonconformity after a reasonable number of attempts, the manufacturer shall accept return of the vehicle from the consumer or lessee and, at the consumer's or lessee's option, refund the full contract price or lease price of the vehicle including all credits and allowances for any trade-in vehicle, less a reasonable allowance for use, or replace it with a comparable new motor vehicle in good working order. A manufacturer replacing a motor vehicle shall have thirty (30) calendar days from the date of return of the motor vehicle under the provisions of this chapter to deliver a comparable motor vehicle. If, within that thirty (30) days, no comparable motor vehicle has been delivered, the manufacturer shall refund the full contract price or lease price less a reasonable allowance for use. In instances in which a vehicle is replaced by a manufacturer under the provisions of this chapter, the manufacturer shall reimburse the consumer or lessee for any fees for the transfer of registration or any sales tax incurred by the consumer or lessee as a result of that replacement. In instances in which a vehicle which was financed by the manufacturer or its subsidiary or agent is replaced under the provisions of this chapter, the manufacturer, subsidiary, or agent shall not require the

consumer or lessee to enter into any refinancing agreement with an interest rate or other financial terms which are less favorable to the consumer or lessee than those stated in the original financing agreement. In instances in which a refund is tendered under the provisions of this chapter, the manufacturer shall also reimburse the consumer or lessee for incidental costs including sales tax, registration fee, finance charges, and any cost of nonremovable options added by an authorized dealer or lessor. Whenever a vehicle is replaced or refunded under the provisions of this chapter, in instances in which towing services and rental vehicles of comparable year and size were not made available at no cost to the consumer or lessee, the manufacturer shall also reimburse the consumer or lessee for towing and reasonable rental costs that were a direct result of vehicle nonconformity. Refunds shall be made to the consumer or lessee and to the lienholder, if any, as their interests may appear. A reasonable allowance for use shall be obtained by multiplying the total contract price or lessee cost of the vehicle by a fraction having as its denominator one hundred thousand (100,000) and having as its numerator the number of miles that the vehicle travelled prior to the consumer's first report of the nonconformity to the manufacturer, its agent, or its dealer or lessor plus the number of miles that it travelled during any subsequent period when the vehicle was not out of service by reason of repair. A consumer or lessee shall have the option of retaining the use of any vehicle returned under the provisions of this chapter until such time as the consumer or lessee has been tendered a full refund or replacement vehicle acceptable to the consumer or lessee. The use of any vehicle retained by a consumer or lessee after its return to a manufacturer under the provisions of this chapter shall, in instances in which a refund is tendered, be reflected in the above mentioned reasonable allowance for use.

(b) If applicable, refunds shall be made to the lessor and lessee as their interests may appear on the records of ownership as follows: the lessee shall receive the lessee cost and the lessor shall receive the lease price less the aggregate deposit and rental payments previously paid to the lessor for the leased vehicle. If it is determined that the lessee is entitled to a refund pursuant to this chapter, the consumer's lease agreement with the lessor shall be terminated upon payment of the refund and no penalty for early termination shall be assessed.

#### SECTION 31-5.2-4

§ 31-5.2-4 Affirmative defenses. – It shall be an affirmative defense to any claim under this section: (1) that an alleged nonconformity does not substantially impair the use, market value, or safety of the vehicle, or (2) that a nonconformity is the result of abuse, neglect, or unauthorized substantial modification or alteration of the vehicle by the consumer or lessee.

#### SECTION 31-5.2-5

§ 31-5.2-5 Time allowed for correction of nonconformity. – (a) A reasonable number of attempts shall be presumed to have been undertaken to conform a motor vehicle to any applicable express or implied warranties if: (1) the same nonconformity has been subject to repair four (4) or more times by the manufacturer or its agents or authorized dealers or lessors within the term of protection, but the nonconformity continues to exist or the nonconformity has recurred within the term of protection, or (2) the vehicle is out of

service by reason of the repair of any nonconformity for a cumulative total of thirty (30) or more calendar days during the term of protection; provided, however, that the manufacturer shall be afforded one additional opportunity, not to exceed seven (7) calendar days, to cure any nonconformity arising during the term of protection, notwithstanding the fact that the additional opportunity to cure commences after the term of protection.

(b) The additional opportunity to cure shall commence on the day the manufacturer first knows or should have known that the limits specified in subsection (a)(1) or (a)(2) have been met or exceeded. The term of protection, the thirty (30) calendar day period specified in subsection (a)(2) and the additional opportunity to cure shall be extended by any period of time during which repair services are not available to the consumer or lessee as a direct result of a war, invasion, fire, flood or other natural disaster. The term of protection, the thirty (30) calendar day period and the additional opportunity to cure shall also be extended by that period of time during which repair services are not available as a direct result of a strike; provided, however, that the manufacturer, its agent, or its authorized dealer or lessor makes provision for the free use of a vehicle of comparable year and size by any consumer or lessee whose vehicle is out of service by reason of repair during a strike. The burden shall be on the manufacturer to show that any event claimed as a reason for an extension under the provisions of this section was the direct cause for the failure of the manufacturer, its agent or lessor, or its authorized dealer to cure any nonconformity during the time of that event. Extensions for concurrent events shall not be cumulative.

#### SECTION 31-5.2-6

§ 31-5.2-6 Rights and remedies cumulative. – Nothing in this chapter shall be construed to limit the rights or remedies which are otherwise available to a consumer or lessee under law.

#### SECTION 31-5.2-7

§ 31-5.2-7 Informal dispute settlement procedures. – If a manufacturer has established an informal dispute settlement procedure which complies in all respects with the provisions of title 16, Code of Federal Regulations, part 703, as from time to time amended, or which has been approved by the federal trade commission or by the attorney general of this state, the provisions of § 31-5.2-3 concerning refunds or replacement shall not apply to any consumer or lessee who has not first resorted to the procedure or the procedure set forth in § 31-5.2-7.1. This section shall not apply unless the manufacturer, its agents, or its authorized dealer or lessor shall have provided the consumer or lessee with clear and conspicuous written notice of the procedure at the time of delivery of the motor vehicle. A decision resulting from such an informal dispute settlement procedure shall be binding upon the manufacturer if the consumer or lessee elects to accept the decision. The manufacturer shall perform its obligations as set forth in said decision within a reasonable period of time not to exceed thirty (30) calendar days from the rendering of the decision. In no event shall a consumer or lessee who has resorted to an informal dispute settlement procedure be precluded from seeking the rights and/or remedies provided by this chapter. Any applicable statute of limitation including but not

limited to that set forth in § 31-5.2-12 shall be tolled during the period from the initiation of a dispute settlement procedure until thirty (30) days following the rendering of a final decision in said process.

SECTION 31-5.2-8

§ 31-5.2-8 Waiver of rights prohibited. – Any agreement entered into by a consumer or lessee for the purchase or lease of a new motor vehicle which waives, limits, or disclaims the rights set forth in this chapter shall be void as contrary to public policy. These rights shall inure to a subsequent transferee of the motor vehicle.

SECTION 31-5.2-9

§ 31-5.2-9 Disclosure of nonconformity prior to resale. – No motor vehicle that is returned to the manufacturer under the provisions of this chapter shall be resold or released in the state without clear and conspicuous written disclosure to the prospective purchaser or lessee prior to resale of the fact that it was so returned due to a nonconformity. The attorney general shall prescribe the exact form and content of the disclosure statement.

SECTION 31-5.2-10

§ 31-5.2-10 Cause of action. – An aggrieved consumer or lessee may bring an action under the Rules of Civil Procedure in the superior court to enforce the provisions of this chapter.

SECTION 31-5.2-11

§ 31-5.2-11 Attorney's fees. – The court hearing a complaint brought by a consumer or lessee aggrieved by a violation of this chapter shall award reasonable attorney's fees to a prevailing plaintiff.

SECTION 31-5.2-12

§ 31-5.2-12 Commencement of action. – Any action brought pursuant to this chapter shall be commenced within three (3) years of the date of original delivery of the motor vehicle to the consumer or lessee or within two (2) years of the date on which the mileage on the motor vehicle reached fifteen thousand (15,000) miles, whichever is earlier.

SECTION 31-5.2-13

§ 31-5.2-13 Deceptive trade practice. – A manufacturer's failure to comply with any of the provisions of this chapter shall constitute a deceptive trade practice under the terms of chapter 13.1 of title 6. All of the public and private remedies provided for in chapter 13.1 of title 6 shall be available to enforce the provisions of this chapter.