



LEGAL BRIEF

NEVADA LEMON LAW

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PREPARED BY

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The following is a brief explanation of most relevant provisions of the Nevada lemon law. The complete text of the lemon law can be found at Nevada Rev. Stat. section 597.600 *et seq.*

VEHICLES COVERED BY THE NEVADA LEMON LAW

The Nevada lemon law covers motor vehicles, defined as self-propelled vehicles in, upon or by which any person or property is or may be transported upon a public highway. The lemon law appears to cover used vehicles, but does not cover motor homes or off-road vehicles.

CONSUMERS COVERED BY THE NEVADA LEMON LAW

The Nevada lemon law covers the "buyer", defined as:

1. A person who purchases or contracts to purchase, for purposes other than resale, a motor vehicle normally used for personal, family or household purposes;
2. Any person to whom the motor vehicle is transferred during the time a manufacturer's express warranty applicable to the motor vehicle is in effect; and
3. Any other person entitled by the terms of the warranty to enforce its obligations.

PROBLEMS COVERED BY THE NEVADA LEMON LAW

The Nevada lemon law covers any defect or condition that substantially impairs the use and value of the motor vehicle to the buyer. The lemon law does not cover a defect or condition that is the result of abuse, neglect or unauthorized modifications or alterations of the motor vehicle.

MANUFACTURER'S DUTY TO REPAIR

If a motor vehicle does not conform to all of the manufacturer's applicable express warranties, and the buyer reports the nonconformity in writing to the manufacturer before the expiration of the manufacturer's express warranties or one year after the date of the motor vehicle's delivery to the original buyer – whichever is earlier – then the manufacturer, its agent or authorized dealer must make the necessary repairs to conform the motor vehicle to the express warranty. The necessary repairs must be made even if the term of the warranty has expired.

MANUFACTURER'S DUTY TO REPURCHASE OR REPLACE A VEHICLE

If the manufacturer, its agent or authorized dealer is unable to conform the motor vehicle to any applicable express warranty by repairing or correcting a nonconformity after a *reasonable number of attempts*, the manufacturer must either replace or repurchase the motor vehicle.

REASONABLE NUMBER OF REPAIR ATTEMPTS

The Nevada lemon law establishes a *presumption* that a reasonable number of attempts have been undertaken to conform a motor vehicle to the applicable express warranties if, within the time the

express warranty is in effect or within one year following the date of the motor vehicle's delivery to the original buyer, whichever occurs first, either of the following occurs:

1. The same nonconformity has been subject to repair four or more times by the manufacturer, its agent or authorized dealer but the nonconformity continues to exist, or
2. The motor vehicle is out of service for repairs for a cumulative total of 30 or more calendar days.

The 30 day period is extended by any period of time in which the necessary repairs cannot be made for reasons that are beyond the control of the manufacturer, its agent or authorized dealer.

DISPUTE RESOLUTION

If the manufacturer has established or designated an informal dispute settlement procedure that complies with 16 C.F.R. Part 703, then they buyer may not bring an action under the provisions requiring refund or replacement unless the buyer has first resorted to the informal dispute settlement procedure.

TIME PERIOD FOR FILING CLAIMS

An action must be commenced within 18 months after the date of the vehicle's original delivery to the buyer.

REMEDIES UNDER THE NEVADA LEMON LAW

REPURCHASE VEHICLE

The Nevada lemon law sets out the following amounts that a manufacturer must pay when it repurchases a motor vehicle under the lemon law:

1. The full purchase price, and
2. All sales taxes, license fees, registration fees and other similar governmental charges;
3. Less a reasonable allowance for the buyer's use of the vehicle.

Refunds must be made to the buyer and lienholder, if any, as their interests may appear.

The reasonable allowance for use is that amount directly attributable to use by the buyer before the first report of the nonconformity to the manufacturer, agent or dealer, and during any subsequent period when the vehicle is not out of service for repairs.

REPLACEMENT VEHICLE

The Nevada lemon law provides that a replacement vehicle must be a comparable motor vehicle of the same model and having the same features as the replaced vehicle or, if such a vehicle cannot be delivered to the buyer within a reasonable time, then a comparable motor vehicle substantially similar to the replaced vehicle. The reasonable allowance for use does not apply to a replacement.

UNLAWFUL PROVISIONS

Any agreement between the manufacturer or its agent or authorized dealer and the buyer which provides that the buyer waives any rights or remedies afforded by NRS 597.600 to 597.630 is void.

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