



Maryland Lemon Law Statute

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Sections 14-1501 – 14-1504 of the Commercial Law Articles

§ 14-1501. Definitions

- In general. -- In this subtitle the following words have the meanings indicated.
- Consumer. -- "Consumer" means:
 - The purchaser, other than for purposes of resale, of a new motor vehicle;
 - Any person to whom a new motor vehicle is transferred during the duration of the warranty applicable to such motor vehicle; or
 - Any other person who is entitled to enforce the obligations of the warranty.
- Dealer. -- "Dealer" has the meaning provided in § 15-101(c) of the Transportation Article.
- Manufacturer, factory branch, or distributor. -- "Manufacturer, factory branch, or distributor" means a person, partnership, association, corporation, or entity engaged in the business of manufacturing or assembling motor vehicles or of distributing motor vehicles to motor vehicle dealers as defined in § 15-201(b), (c), and (e) of the Transportation Article.
- Manufacturer's warranty period. –
 - "Manufacturer's warranty period" means the earlier of:
 - The period of the motor vehicle's first 18,000 miles of operation; or

- 24 months following the date of original delivery of the motor vehicle to the consumer.
 - This subsection does not extend any manufacturer's express warranty.
- Motor vehicle. –
 - "Motor vehicle" means a vehicle that is registered in this State as a:
 - Class A (passenger) vehicle;
 - Class D (motorcycle) vehicle;
 - Class E (truck) vehicle with a 3/4 ton or less manufacturer's rated capacity; or
 - Class M (multipurpose) vehicle.
 - "Motor vehicle" does not include a motor home. For the purpose of administering this subtitle, the Motor Vehicle Administration shall promulgate a regulation defining a motor home.
- Warranty. -- "Warranty" means warranties as defined in § 2-312, 2-313, 2-314, and 2-315 of this article.

§ 14-1502. Automobile warranty enforcement

- Warranty period limitations to be specified in warranty. -- If the manufacturer's warranty period is to include those miles of operation when the new motor vehicle is in the possession of any person other than the consumer, the manufacturer shall state that fact in 12 point boldface type in the manufacturer's written warranty.
- Correction of defects. –
 - If a new motor vehicle does not conform to all applicable warranties during the warranty period, the consumer shall, during such period, report the nonconformity, defect, or condition by giving written notice to the manufacturer or factory branch by certified mail, return receipt requested. Notice of this procedure shall be conspicuously disclosed to the consumer in writing at the time of sale or delivery of the motor vehicle.

- The consumer shall provide an opportunity for the manufacturer or factory branch, or its agent to cure the nonconformity, defect, or condition.
- The manufacturer or factory branch, its agent, or its authorized dealer shall correct the nonconformity, defect, or condition at no charge to the consumer, even if repairs are made after the expiration of the warranty period. The corrections shall be completed within 30 days of the manufacturer's receipt of the consumer's notification of the nonconformity, defect, or condition.
- Uncorrectable defects. –
 - If, during the warranty period, the manufacturer or factory branch, its agent, or its authorized dealer is unable to repair or correct any defect or condition that substantially impairs the use and market value of the motor vehicle to the consumer after a reasonable number of attempts, the manufacturer or factory branch, at the option of the consumer, shall:
 - Replace the motor vehicle with a comparable motor vehicle acceptable to the consumer; or
 - Accept return of the motor vehicle from the consumer and refund to the consumer the full purchase price including all license fees, registration fees, and any similar governmental charges, less:
 - A reasonable allowance for the consumer's use of the vehicle not to exceed 15 percent of the purchase price; and
 - A reasonable allowance for damage not attributable to normal wear but not to include damage resulting from a nonconformity, defect, or condition.
 - The manufacturer or factory branch shall make refunds under this section to the consumer and lienholder, if any, as their interests appear on the records of ownership maintained by the Motor Vehicle Administration.
 - It is an affirmative defense to any claim under this section that the nonconformity, defect, or condition:
 - Does not substantially impair the use and market value of the motor vehicle; or

- Is the result of abuse, neglect, or unauthorized modifications or alterations of the motor vehicle.
- Reasonable number of attempts. -- It shall be presumed that a reasonable number of attempts have been undertaken to conform a motor vehicle to the applicable warranties if:
 - The same nonconformity, defect, or condition has been subject to repair 4 or more times by the manufacturer or factory branch, or its agents or authorized dealers, within the warranty period but such nonconformity, defect, or condition continues to exist;
 - The vehicle is out of service by reason of repair of 1 or more nonconformities, defects, or conditions for a cumulative total of 30 or more days during the warranty period; or
 - A nonconformity, defect, or condition resulting in failure of the braking or steering system has been subject to the same repair at least once within the warranty period, and the manufacturer has been notified and given the opportunity to cure the defect, and the repair does not bring the vehicle into compliance with the motor vehicle safety inspection laws of the State.
- Extensions. -- The term of any warranty, the warranty period, and the 30 day out of service period shall be extended by any time during which repair services are not available to the consumer by reason of war, invasion, strike, or fire, flood, or other natural disaster.
- Notification. –
 - It shall be the duty of a dealer to notify the manufacturer of the existence of a nonconformity, defect, or condition within 7 days when the motor vehicle is delivered to the same dealer for a fourth time for repair of the same nonconformity or when the vehicle is out of service by reason of repair of one or more nonconformities, defects, or conditions for a cumulative total of 20 days.
 - The notification shall be sent by certified mail and a copy of the notification shall be sent to the Motor Vehicle Administration; however, failure of the dealer to give the required notice required under this subsection shall not affect the consumer's right under this subtitle.

- If a motor vehicle is returned to a manufacturer or factory branch either under this subtitle, or by judgment, decree, arbitration award, or by voluntary agreement, the manufacturer or factory branch shall notify the Motor Vehicle Administration in writing within 15 days of the fact that the vehicle was returned.
- Transfer and resale. –
 - If a motor vehicle that is returned to the manufacturer under either this subtitle or by judgment, decree, arbitration award, settlement agreement, or by voluntary agreement in this or any other state and is then transferred to a dealer in Maryland, the manufacturer shall disclose this information to the dealer.
 - The manufacturer's disclosure under this paragraph shall be in writing on a separate piece of paper in 10 point all capital type and shall state in a clear and conspicuous manner:
 - That the motor vehicle was returned to the manufacturer or factory branch;
 - The nature of the defect, if any, that resulted in the return; and
 - The condition of the motor vehicle at the time that it is transferred to the dealer.
 - If the returned vehicle is then made available for resale, the seller shall provide a copy of the manufacturer's disclosure form to the consumer prior to sale.
 - If the returned vehicle is sold, the seller shall send a copy of the manufacturer's disclosure form, signed by the consumer, to the Administration.
- Other law. -- This section does not limit the rights or remedies that are otherwise available to a consumer under any other law, including any implied warranties.
- Informal dispute settlement procedure. –
 - If a manufacturer or factory branch 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 amended, a consumer may resort to that procedure before subsection (c) of this section applies.

- A consumer who has resorted to an informal dispute settlement procedure may not be precluded from seeking the rights or remedies available by law.
- Waiver; transferability. –
 - Any agreement entered into by a consumer for the purchase of a new motor vehicle that waives, limits, or disclaims the rights set forth in this section shall be void.
 - The rights available to a consumer under this section shall inure to a subsequent transferee of a new motor vehicle for the duration of the applicable warranties.
- Statute of limitations. -- Any action brought under this section shall be commenced within 3 years of the date of original delivery of the motor vehicle to the consumer.
- Attorney's fees. –
 - A court may award reasonable attorney's fees to a prevailing plaintiff under this section.
 - If it appears to the satisfaction of the court that an action is brought in bad faith or is of a frivolous nature, the court may order the offending party to pay to the other party reasonable attorney's fees.
- Exception. -- This subtitle does not apply to a fleet purchase of five or more motor vehicles.

§ 14-1502.1. Notice

- In general. -- The Motor Vehicle Administration shall:
 - Develop a notice that describes the rights provided to consumers under this subtitle;
 - Make the notice available to all dealers that sell new motor vehicles in the State; and
 - Adopt regulations as necessary to implement the provisions of this section.

- Contents and style. -- The notice shall:
 - Be written in simple and readable plain language; and
 - Contain sufficient detail to fully inform consumers about the rights and remedies available under this subtitle and the procedures to follow to enforce those rights and remedies.
- Copy to be given to purchasers. -- Each dealer that sells a new motor vehicle in the State shall provide to the purchaser, at the time of the sale or delivery of the motor vehicle, a copy of the notice developed by the Motor Vehicle Administration under this section.

§ 14-1503. Recovery of excise taxes

- Conditions under which taxes recoverable. –
 - If a dealer, manufacturer, factory branch, or distributor is required under a judgment, decree, arbitration award, or settlement agreement to accept, or by voluntary agreement accepts, return of a motor vehicle from a consumer, the consumer shall be entitled to recover from the Motor Vehicle Administration the excise taxes originally paid by the consumer, subject to subsection (b) of this section.
 - If a dealer, manufacturer, factory branch, or distributor replaces a motor vehicle with a comparable motor vehicle under § 14-1502 (c) (1) (i) of this subtitle, the Motor Vehicle Administration shall allow a credit against the excise tax imposed for the replacement vehicle in the amount of the excise taxes originally paid by the consumer for the returned vehicle, subject to subsection (b) of this section.
 - If the excise tax on the replacement vehicle exceeds the credit allowed under subparagraph (i) of this paragraph, the dealer shall collect only that portion of excise tax due; or
 - If the excise tax on the vehicle being replaced exceeds the excise tax on the replacement vehicle, the consumer shall be entitled to recover from the Motor Vehicle Administration the excess of the excise tax paid.
- Calculation of taxes. -- The excise taxes that a consumer is entitled to recover under this section shall be calculated based on the amount of the purchase price or any portion of the purchase price of the motor vehicle that the dealer, manufacturer, factory branch, or distributor refunds to the consumer.

- Notification. -- A dealer, manufacturer, factory branch, or distributor who is required under a judgment, decree, arbitration award, or settlement agreement to accept, or who accepts, by voluntary agreement, return of a motor vehicle shall notify the consumer in writing that the consumer is entitled to recover the excise taxes from the Motor Vehicle Administration.

§ 14-1504. Violation of subtitle is unfair and deceptive trade practice; damages

- Violation of subtitle is unfair and deceptive trade practice. -- A violation of this subtitle shall be an unfair or deceptive trade practice under Title 13 of this article.
- Damages. -- In addition to any other remedies that may be available under this subtitle, if a manufacturer, factory branch, or distributor is found to have acted in bad faith, the court may award the consumer damages of up to \$ 10,000.

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