



## Wisconsin Lemon Law Statute

### Summary of the Wisconsin Lemon Law

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#### Wisconsin Lemon law Chapter 218.015

Wisconsin Lemon law 218.015(1) (intro.) In this section:

**218.015(1)(a)** "Collateral costs" means expenses incurred by a consumer in connection with the repair of a nonconformity, including the costs of obtaining alternative transportation.

**218.015(1)(b)** (intro.) "Consumer" means any of the following:

**218.015(1)(b)1.** The purchaser of a new motor vehicle, if the motor vehicle was purchased from a motor vehicle dealer for purposes other than resale.

**218.015(1)(b)2.** A person to whom the motor vehicle is transferred for purposes other than resale, if the transfer occurs before the expiration of an express warranty applicable to the motor vehicle.

**218.015(1)(b)3.** A person who may enforce the warranty.

**218.015(1)(b)4.** A person who leases a motor vehicle from a motor vehicle lessor under a written lease.

**218.015(1)(bd)** (bd) "Demonstrator" means used primarily for the purpose of demonstration to the public.

**218.015(1)(bg)** (bg) "Early termination cost" means any expense or obligation a motor vehicle lessor incurs as a result of both the termination of a written lease before the termination date set forth in that lease and the return of a motor vehicle to a manufacturer under sub. (2) (b) 3. "Early termination cost" includes a penalty for prepayment under a finance arrangement.

**218.015(1)(bj)** (bj) "Early termination savings" means any expense or obligation a motor vehicle lessor avoids as a result of both the termination of a written lease before the

termination date set forth in that lease and the return of a motor vehicle to a manufacturer under sub. (2) (b) 3. "Early termination savings" includes an interest charge the motor vehicle lessor would have paid to finance the motor vehicle or, if the motor vehicle lessor does not finance the motor vehicle, the difference between the total amount for which the lease obligates the consumer during the period of the lease term remaining after the early termination and the present value of that amount at the date of the early termination.

**218.015(1)(bp)** (bp) "Executive" means used primarily by an executive of a licensed manufacturer, distributor or dealer, and not used for demonstration to the public.

**218.015(1)(c)** "Manufacturer" means a manufacturer as defined in s. 218.01 (1) (L) and agents of the manufacturer, including an importer, a distributor, factory branch, distributor branch and any warrantors of the manufacturer's motor vehicles, but not including a motor vehicle dealer.

**218.015(1)(d)** "Motor vehicle" means any motor driven vehicle required to be registered under ch. 341 or exempt from registration under s. 341.05 (2), including a demonstrator or executive vehicle not titled or titled by a manufacturer or a motor vehicle dealer, which a consumer purchases or accepts transfer of in this state. "Motor vehicle" does not mean a moped, semitrailer or trailer designed for use in combination with a truck or truck tractor.

**218.015(1)(e)** "Motor vehicle dealer" has the meaning given under s. 218.01 (1) (n).

**218.015(1)(em)** (em) "Motor vehicle lessor" means a person who holds title to a motor vehicle leased to a lessee, or who holds the lessor's rights, under a written lease.

**218.015(1)(f)** "Nonconformity" means a condition or defect which substantially impairs the use, value or safety of a motor vehicle, and is covered by an express warranty applicable to the motor vehicle or to a component of the motor vehicle, but does not include a condition or defect which is the result of abuse, neglect or unauthorized modification or alteration of the motor vehicle by a consumer.

**218.015(1)(h)** (intro.) "Reasonable attempt to repair" means any of the following occurring within the term of an express warranty applicable to a new motor vehicle or within one year after first delivery of the motor vehicle to a consumer, whichever is sooner:

**218.015(1)(h)1.** The same nonconformity with the warranty is subject to repair by the manufacturer, motor vehicle lessor or any of the manufacturer's authorized motor vehicle dealers at least 4 times and the nonconformity continues.

**218.015(1)(h)2.** The motor vehicle is out of service for an aggregate of at least 30 days because of warranty nonconformities.

**Wisconsin Lemon law 218.015(2)**

**218.015(2)(a)** If a new motor vehicle does not conform to an applicable express warranty and the consumer reports the nonconformity to the manufacturer, the motor vehicle lessor or any of the manufacturer's authorized motor vehicle dealers and makes the motor vehicle available for repair before the expiration of the warranty or one year after first delivery of the motor vehicle to a consumer, whichever is sooner, the nonconformity shall be repaired.

**218.015(2)(b)**

**218.015(2)(b)1.** If after a reasonable attempt to repair the nonconformity is not repaired, the manufacturer shall carry out the requirement under subd. 2. or 3., whichever is appropriate.

**218.015(2)(b)2.** (intro.) At the direction of a consumer described under sub. (1) (b) 1., 2. or 3., do one of the following:

**218.015(2)(b)2.a.** Accept return of the motor vehicle and replace the motor vehicle with a comparable new motor vehicle and refund any collateral costs.

**218.015(2)(b)2.b.** Accept return of the motor vehicle and refund to the consumer and to any holder of a perfected security interest in the consumer's motor vehicle, as their interest may appear, the full purchase price plus any sales tax, finance charge, amount paid by the consumer at the point of sale and collateral costs, less a reasonable allowance for use. Under this subdivision, a reasonable allowance for use may not exceed the amount obtained by multiplying the full purchase price of the motor vehicle by a fraction, the denominator of which is 100,000 or, for a motorcycle, 20,000, and the numerator of which is the number of miles the motor vehicle was driven before the consumer first reported the nonconformity to the motor vehicle dealer.

**218.015(2)(b)3.**

**218.015(2)(b)3.a.** With respect to a consumer described in sub. (1) (b) 4., accept return of the motor vehicle, refund to the motor vehicle lessor and to any holder of a perfected security interest in the motor vehicle, as their interest may appear, the current value of the written lease and

refund to the consumer the amount the consumer paid under the written lease plus any sales tax and collateral costs, less a reasonable allowance for use.

**218.015(2)(b)3.b.** Under this subdivision, the current value of the written lease equals the total amount for which that lease obligates the consumer during the period of the lease remaining after its early termination, plus the motor vehicle dealer's early termination costs and the value of the motor vehicle at the lease expiration date if the lease sets forth that value, less the motor vehicle lessor's early termination savings.

Under this subdivision, a reasonable allowance for use may not exceed the amount obtained by multiplying the total amount for which the written lease obligates the consumer by a fraction, the denominator of which is 100,000 and the numerator of which is the number of miles the consumer drove the motor vehicle before first reporting the nonconformity to the manufacturer, motor vehicle lessor or motor vehicle dealer.

To receive a comparable new motor vehicle or a refund due under par. (b) 1. or 2., a consumer described under sub. (1) (b) 1., 2. or 3. shall offer to the manufacturer of the motor vehicle having the nonconformity to transfer title of that motor vehicle to that manufacturer. No later than 30 days after that offer, the manufacturer shall provide the consumer with the comparable new motor vehicle or refund. When the manufacturer provides the new motor vehicle or refund, the consumer shall return the motor vehicle having the nonconformity to the manufacturer and provide the manufacturer with the certificate of title and all endorsements necessary to transfer title to the manufacturer.

To receive a refund due under par. (b) 3., a consumer described under sub. (1) (b) 4. shall offer to the manufacturer of the motor vehicle having the nonconformity to return that motor vehicle to that manufacturer. No later than 30 days after that offer, the manufacturer shall provide the refund to the consumer. When the manufacturer provides the refund, the consumer shall return the motor vehicle having the nonconformity to the manufacturer.

To receive a refund due under par. (b) 3., a motor vehicle lessor shall offer to the manufacturer of the motor vehicle having the nonconformity to transfer title of that motor vehicle to that manufacturer. No later than 30 days after that offer, the manufacturer shall provide the refund to the motor vehicle lessor.

When the manufacturer provides the refund, the motor vehicle lessor shall provide to the manufacturer the certificate of title and all endorsements necessary to transfer title to the manufacturer.

No person may enforce the lease against the consumer after the consumer receives a refund due under par. (b) 3. (cq) Upon payment of a refund to a consumer under par. (b) 2. b., the manufacturer shall provide to the consumer a written statement that specifies the trade-in amount previously applied under s. 77.51 (4) (b) 3. or 3m. or (15) (b) 4. or 4m. toward the sales price of the motor vehicle having the nonconformity and the date on which the manufacturer provided the refund.

No motor vehicle returned by a consumer or motor vehicle lessor in this state under par. (b), or by a consumer or motor vehicle lessor in another state under a similar law of that state, may be sold or leased again in this state unless full disclosure of the reasons for return is made to any prospective buyer or lessee.

The department of revenue shall refund to the manufacturer any sales tax which the manufacturer refunded to the consumer under par. (b) if the manufacturer provides to the department of revenue a written request for a refund along with evidence that the sales tax was paid when the motor vehicle was purchased and that the manufacturer refunded the sales tax to the consumer. The department may not refund any sales tax under this paragraph if it has made a refund in connection with the same motor vehicle under par. (f).

The department of revenue shall refund to a consumer described under sub. (1) (b) 1., 2. or 3. all or part of the sales tax paid by the consumer on the purchase of a new motor vehicle, based on the amount of the refund of the purchase price of the motor vehicle actually received by the consumer, if all of the following apply:

The consumer returned the motor vehicle to its manufacturer and received a refund of all or part of the purchase price but not the corresponding amount of sales tax.

The consumer bought the new motor vehicle after November 2, 1983.

The consumer provides the department of revenue with a written request for a refund of the sales tax along with evidence that the consumer received a certain amount as a refund of the purchase price of the motor vehicle from the manufacturer, that the sales tax was paid when the motor vehicle was bought new and that the manufacturer did not refund the sales tax to the consumer.

The department of revenue has not made a refund under par. (e) in connection with the motor vehicle.

**218.0171(3)** If there is available to the consumer an informal dispute settlement procedure which is certified under sub. (4), the consumer may not bring an action under sub. (7) unless he or she first resorts to that procedure.

**218.0171(4)**

(a) The department of transportation shall adopt rules specifying the requirements with which each informal dispute settlement procedure shall comply. The rules shall require each person establishing an informal dispute settlement procedure to do all of the following:

Provide rights and procedures at least as favorable to the consumer as are required under 16 CFR Part 703, in effect on November 3, 1983.

If after a reasonable attempt to repair the nonconformity is not repaired, require the manufacturer to provide a remedy as set forth under sub. (2) (b).

(b) The department of transportation shall investigate each informal dispute settlement procedure provided in this state to determine whether it complies with the rules adopted under par. (a). The department shall certify each informal dispute settlement procedure which complies. The department may revoke certification if it determines that an informal dispute settlement procedure no longer complies with the rules promulgated under par. (a). Annually, the department shall publish a report evaluating the informal dispute settlement procedures provided in this state, stating whether those procedures are certified and stating the reasons for the failure of any procedure to obtain certification or for the revocation of any certification.

(c) Any person who establishes an informal dispute settlement procedure the certification of which is denied or revoked by the department of transportation may appeal that denial or revocation under ch. 227.

(d) Annually, any person who establishes an informal dispute settlement procedure shall file with the department of transportation a copy of the annual audit required under 16 CFR Part 703 or a substantially similar audit and any additional information the department requires in order to evaluate informal dispute settlement procedures.

(e) The department of transportation may consider whether a manufacturer obtains certification under this subsection in determining whether to issue a manufacturer's license to do business in this state.

**218.0171(5)** This section does not limit rights or remedies available to a consumer under any other law.

**218.0171(6)** Any waiver by a consumer of rights under this section is void.

**218.0171(7)** In addition to pursuing any other remedy, a consumer may bring an action to recover for any damages caused by a violation of this section. The court shall award a consumer who prevails in such an action twice the amount of any pecuniary loss, together with costs, disbursements and reasonable attorney fees, and any equitable relief the court determines appropriate.

History: 1983 a. 48; 1985 a. 205 ss. 1m to 6, 8; 1987 a. 105, 169, 323, 403; 1989 a. 31; 1999 a. 31 s. 287; Stats. 1999 s. 218.0171; 2001 a. 45. Cross Reference: See also ch. Trans 143, Wis. adm. code.

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