

LEMON LAWS



prepared by

PETERSON AFB LEGAL OFFICE

(719) 556-4871



Colorado's Lemon Law

Colorado Law protects consumers who purchase a defective vehicle that was marketed as being **new**. According to the law, a consumer is the purchaser of the vehicle if you use it for yourself or your family, or any other person who can enforce the warranty. In order for the law to apply, the vehicle must transport less than 10 people and have been sold to someone in Colorado. The law is based on the warranty for the vehicle, which must be written by the manufacturer.

When you buy a new car, any problems with the car must be reported to the dealer, manufacturer, or agent within either the warranty term or 1 year after the purchase of the vehicle, whichever is sooner. If you do report a defect to someone other than the manufacturer, make sure that the manufacturer still gets written notice sent by certified mail. Any one of the above then has to make repairs to the car so that it conforms to the terms of the warranty.

The dealer, manufacturer, or agent has 4 tries during one year of the warranty or the year after purchase, whichever comes first, to correct the defect. If either the 4 attempts are unsuccessful or the vehicle is not usable for a total of 30 or more business days during the same time period, the manufacturer can either:

- Choose to replace the vehicle with a similar vehicle; or
- Accept the return of the vehicle and refund the full purchase price, including taxes and fees, to the purchaser and the lien holder (if there is one).
- The winning party can also claim lawyer's fees in addition to the other outcomes.

The manufacturer can always claim that the defect does not substantially impair the value or use of the vehicle. They can also claim the problem was caused by abuse, neglect, or unauthorized modifications to the vehicle by the consumer. In other words, if you do something to the vehicle or install something new, you may not fall under the protection of the Lemon Law even if something else goes wrong with the vehicle.

In Colorado, there is a statute of limitations included. This means if you want to bring action to enforce your rights under this law, you must file within 6 months of either the expiration of your warranty or 1 year after the purchase of the vehicle, whichever comes first.

Tips

Preventing Problems

To minimize the chance of a problem with your warranty, take these precautions:

- Research the reputation of the company offering the warranty with local or state consumer protection offices or the Better Business Bureau. A warranty is only as good as the company that offers it.
- Before you buy, read the warranty. See exactly what protection the warranty gives you.

- Save the sales slip and file it with your warranty. You may need it to document the date of your purchase or, in the case of a warranty limited to first purchasers, to prove that you were the original buyer.
- Perform any maintenance or inspections required by the warranty.
- Use the product according to the manufacturer's instructions. Abuse or misuse of the product may cancel your warranty coverage.
- Keep all receipts and invoices related to any repairs that are done on the car to prove how many times the same repair was done.

Resolving Disputes

If you are faced with any problems with a product or with obtaining the promised warranty service, here are some steps you can take:

- Read your product instructions and warranty carefully. Do not expect features or coverage that was never promised. Having a warranty does not mean that you automatically get a refund if a product is defective. The company may be entitled to try to fix it first. But if you reported a defect to the company during the warranty period and the product was not fixed, the company must correct the problem, no matter how long it takes.
- Discuss your complaint with the retailer. Disputes can usually be resolved at this level. But if you cannot reach an agreement, write the manufacturer. Your warranty should list the company's mailing address. Send all letters by certified mail and keep copies.
- If you cannot get satisfaction from the retailer or manufacturer, contact your local consumer protection agencies.
- Inquire about dispute resolution organizations which arbitrate disagreements if both you and the company are willing. Consult your warranty -- dispute resolution may be a required first step before going to court.
- Most states have small claims courts. If the amount of money in dispute is relatively small, usually below \$5,000, can file a lawsuit in a small claims court. The costs are low, procedures are simple, and lawyers are usually not needed. The clerk of the small claims court can tell you how to bring your lawsuit and what the dollar limits are.
- If none of these actions resolves your dispute, you may want to consider a lawsuit. The *Magnuson-Moss Act* (a Federal law) allows you to sue for damages or for any other type of relief the court awards, including legal fees. Your Legal Assistance attorney will be able to advise you whether to proceed with a lawsuit.

There is no right of cancellation with the purchase of new and used automobiles, or with an automobile lease.

Sources:

C.R.S. 42-10-101(2008) et. Seq.

<https://www.colorado.gov/pacific/sites/default/files/DR%202440.pdf>

http://www.coloradoattorneygeneral.gov/initiatives/consumer_resource_guide/automobiles#sales_new

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