

SUMMARY OF
THE GEORGIA MOTOR VEHICLE WARRANTY RIGHTS ACT
AND THE GEORGIA LEMON LAW

Georgia recently enacted significant changes to its lemon law. On January 1, 2009, the new Lemon Law replaced the prior Motor Vehicle Warranty Rights Act.

The Georgia Attorney General's Office and the Governor's Office of Consumer Affairs have issued guidance indicating that the prior law, the Motor Vehicle Warranty Rights Act, applies to vehicles that were purchased, leased or registered before January 1, 2009. The new Lemon Law applies to vehicles that were purchased, leased or registered on or after January 1, 2009.

Please review the legal standards and remedies that will apply to your claim:

- A summary of the Motor Vehicle Warranty Rights Act for vehicles purchased, leased or registered before January 1, 2009 is found at pages 2 through 9.
- A summary of the Lemon Law for vehicles purchased, leased or registered on or after January 1, 2009 is found at pages 10 through 17.

If you have questions about either law, please contact the Governor's Office of Consumer Affairs at (404) 656-3790

Summary of the Motor Vehicle Warranty Rights Act
For vehicles purchased, leased or registered before January 1, 2009

PLEASE NOTE: The standards and remedies set forth below apply to warranty disputes involving new motor vehicles purchased, leased or registered in Georgia before January 1, 2009. For standards and remedies applicable to vehicles purchased or leased on or after that date, see pages 10 through 17.

**STANDARDS OF THE GEORGIA
MOTOR VEHICLE WARRANTY RIGHTS ACT**

The following is a brief explanation of most relevant provisions of the Georgia Motor Vehicle Warranty Rights Act (“MVWR Act”), previously codified at Georgia Code Section 10-1-780 et seq.

VEHICLES COVERED

The Georgia MVWR Act covers a new motor vehicle that is leased or purchased in Georgia or registered in Georgia by the original consumer. It also covers a demonstrator vehicle and the self-propelled vehicle and chassis of a motor home. The MVWR Act does not cover motorcycles, trucks with a G.V.W. rating of 10,000 pounds or more, or vehicles that are bought used.

CONSUMERS COVERED

The MVWR Act covers a consumer who purchases or leases a new motor vehicle primarily for personal, family, or household purposes. It also covers a small business that has ten or fewer employees and a net income after taxes of less than \$100,000 per year, and owns or leases no more than three new motor vehicles.

PROBLEMS COVERED

The MVWR Act covers vehicle nonconformities. A nonconformity is a defect, serious safety defect, or condition that substantially impairs the use, value, or safety of a new motor vehicle to the consumer. A nonconformity does not include a defect or condition that is the result of abuse, neglect, or unauthorized modification or alteration of the new motor vehicle.

“Serious safety defect” means a life-threatening malfunction or nonconformity.

“Substantially impair” means to render the new motor vehicle unreliable, or unsafe for ordinary use, or to diminish the resale value of the vehicle more than a

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For vehicles purchased, leased or registered before January 1, 2009

meaningful amount below the average resale value for comparable motor vehicles.

“Unauthorized” means any modification or alteration which was not reasonably contemplated in the manufacturer’s design for the vehicle, unless the manufacturer has transferred the vehicle and knew or should have known that the modification or alteration might be made.

REPORT AND REPAIR OF A NONCONFORMITY

Nonconformities must be reported during the lemon law rights period, which is the period ending one year after the date of the original delivery of a new motor vehicle to a consumer OR the first 12,000 miles of operation after delivery of a new motor vehicle to a consumer, whichever occurs first.

If a consumer reports a nonconformity during the lemon law rights period to the manufacturer, its agent, or the dealer who sold the vehicle, the nonconformity must be corrected at the manufacturer’s expense.

REASONABLE NUMBER OF REPAIR ATTEMPTS

A manufacturer, its agent or dealer must be provided with a reasonable number of attempts to repair or correct a nonconformity in accordance with at least one of the following situations:

1. A serious safety defect in the braking or steering system is not corrected after being subject to repair at least once during the lemon law rights period;
2. Any other serious safety defect is not corrected after being subject to repair at least once during the lemon law rights period and at least one more time within two years or 24,000 miles (whichever comes first) after the first repair attempt;
3. The same nonconformity is not corrected after being subject to repair at least once during the lemon law rights period and at least two more times within two years or 24,000 miles (whichever comes first) after the first repair attempt; or
4. The vehicle is out of service by reason of repair to one or more nonconformities for at least 15 days during the lemon law rights period, and for a total of 30 days within any period of 24 months or 24,000 miles (whichever occurs first) after the first repair attempt. If less than 15 days remain under the lemon law rights period when the vehicle is first brought in for diagnosis or repair, the lemon law rights period for that particular problem shall be extended for a period of 90 days.

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Summary of the Motor Vehicle Warranty Rights Act

For vehicles purchased, leased or registered before January 1, 2009

MANUFACTURER'S RIGHT TO FINAL OPPORTUNITY TO REPAIR

If the manufacturer, its authorized agent or the dealer is unable to repair or correct any nonconformity after a reasonable number of attempts (as described above), the consumer must notify the manufacturer by certified mail, return receipt requested, or by statutory overnight delivery to the address provided by the manufacturer. The manufacturer is then entitled to a final repair attempt, as long as the manufacturer notifies the consumer of a reasonably accessible repair facility within seven days of receiving the consumer's notice. After the consumer delivers the vehicle to the designated repair facility, the manufacturer has fourteen days to correct the nonconformity. If the manufacturer fails to notify the consumer or complete the final repair within the time periods prescribed above, the final opportunity to repair requirement shall not apply.

Notice sufficiently complies with "statutory overnight delivery" if (1) the notice is delivered through the United States Postal Service (USPS) or through a commercial firm regularly engaged in the business of document and/or package delivery; (2) the document is to be delivered not later than the next business day following the day on which it is received for delivery by USPS or the commercial firm; and (3) the sender receives a receipt, signed by the addressee or its agent, acknowledging receipt of the document.

MANUFACTURER'S OBLIGATION TO REPURCHASE OR REPLACE

If the nonconformity is not corrected after the final opportunity to repair, the consumer must request by certified mail, return receipt requested, or statutory overnight delivery that the manufacturer either replace or repurchase the vehicle. The manufacturer must, within 30 days of receipt of this last request, replace or repurchase the vehicle.

DISPUTE RESOLUTION

If a manufacturer participates in an informal dispute resolution mechanism that has been certified by the Georgia Governor's Office of Consumer Affairs, then a consumer must submit a dispute under the MVWR Act to the informal dispute resolution procedure before submitting it to the Georgia new motor vehicle arbitration panel. A consumer must exhaust any certified informal dispute resolution procedure and the Georgia new motor vehicle arbitration panel remedy before filing any superior court action. The consumer has the option of either accepting or rejecting the decision of an informal dispute resolution mechanism.

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For vehicles purchased, leased or registered before January 1, 2009

If a decision is not rendered by the informal dispute resolution mechanism within forty (40) days of filing, the consumer will become eligible to apply for arbitration by the Georgia new motor vehicle arbitration panel.

Please note: To pursue remedies under the MVWR Act, the MVWR Act and related regulations require the consumer to complete, sign and return the Georgia UCC Waiver form. By signing this form, the consumer acknowledges waiver of rights under Article 2 of the Commercial Code, found at O.C.G.A. §§ 11-2-602 through 11-2-609. If the consumer is pursuing relief under the MVWR Act, the consumer must complete, sign and return the form before proceeding to arbitration. Questions about this form may be addressed to BBB AUTO LINE staff or the Georgia Governor's Office of Consumer Affairs at (404) 656-3790.

PERIOD FOR FILING CLAIMS

The MVWR Act does not specify a time period for filing a claim with an informal dispute resolution mechanism.

A consumer who rejects the decision or determination of an informal dispute resolution mechanism may request a hearing with the state-operated panel by requesting, completing, and submitting forms to the Georgia Governor's Office of Consumer Affairs, within sixty (60) days from the date of the rejection. To request a state arbitration application, please call (404) 656-3790.

Summary of the Motor Vehicle Warranty Rights Act
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**REMEDIES UNDER THE GEORGIA
MOTOR VEHICLE WARRANTY RIGHTS ACT**

REPURCHASE OF AN OWNED VEHICLE

The Georgia MVWR Act sets out the following amounts that a manufacturer must pay when it repurchases an owned vehicle under the MVWR Act:

1. Purchase price. This means the cash price of the vehicle appearing in the sales agreement, including any reasonable allowance for a trade-in vehicle. In determining whether the trade-in allowance was reasonable, an arbitrator may take into account whether the purchase price of the vehicle was at a fair market value. The arbitrator may make appropriate adjustments to ensure that the consumer is made whole but not unjustly enriched.
2. Collateral charges. Collateral charges are those additional charges to a consumer which are wholly incurred as a result of the purchase of the vehicle. Collateral charges include but are not limited to:
 - Manufacturer or dealer installed items or service charges;
 - Earned finance charges;
 - Sales tax; and
 - Title charges
3. Incidental costs. Incidental costs are any reasonable expenses incurred by the consumer in connection with the repair of the vehicle, including but not limited to:
 - Payments to dealers for attempted repairs of nonconformities;
 - Towing charges; and
 - Costs of obtaining alternative transportation.
4. Reasonable offset for use. A reasonable offset for the consumer's use is subtracted from the amounts paid to the consumer. The MVWR Act provides that the reasonable offset for use is computed using the following formula:

$$\text{reasonable offset} = \frac{\begin{array}{l} \# \text{ miles directly attributable to use by the} \\ \text{consumer before the consumer's request} \\ \text{of repurchase or replacement} \end{array}}{100,000} \times \begin{array}{l} \text{vehicle's} \\ \text{purchase} \\ \text{price} \end{array}$$

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Summary of the Motor Vehicle Warranty Rights Act
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REPLACEMENT OF AN OWNED VEHICLE

If a manufacturer replaces a vehicle under the Georgia MVWR Act, it must give the consumer a new motor vehicle that is identical or reasonably equivalent to the motor vehicle to be replaced, as the vehicle to be replaced existed at the time of purchase or lease. In addition, the manufacturer must pay:

1. Collateral charges. All collateral charges, which are wholly incurred as a result of the acquisition purchase of the vehicle, which the consumer or lessor incurs a second time and which would not have been incurred again except for the replacement.
2. Incidental costs. Incidental costs are any reasonable expenses incurred by the consumer in connection with the repair of the vehicle, including but not limited to:
 - Payments to dealers for attempted repairs of nonconformities;
 - Towing charges; and
 - Costs of obtaining alternative transportation.

Reasonable offset for use. If a vehicle is replaced, the consumer must pay the manufacturer a reasonable offset for the vehicle's use. The MVWR Act provides that the reasonable offset for use is computed using the following formula:

$$\text{reasonable offset} = \frac{\text{\# miles directly attributable to use by the consumer before the consumer's request of repurchase or replacement}}{100,000} \times \text{vehicle's purchase price}$$

REPURCHASE OF A LEASED VEHICLE

For repurchase of a leased vehicle, the Georgia MVWR Act requires that the manufacturer pay a certain amount to the lessor, and that the lessor pay a certain amount to the lessee. The lease agreement is terminated upon the manufacturer's payment to the lessor, without any penalty for early termination.

A repurchase award will consist of the amounts that the manufacturer must pay to the lessor and the amounts the lessor must pay to the lessee:

To the lessor:

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Summary of the Motor Vehicle Warranty Rights Act
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1. Purchase price. This means the cash price paid by the lessor to a dealer or distributor to purchase the new motor vehicle.
2. Reasonable offset for use. A reasonable offset for the lessee's use is subtracted from the amount the manufacturer pays to the lessor. The MVWR Act provides that the reasonable offset for use is computed by the following formula:

$$\text{reasonable offset} = \frac{\text{\# miles directly attributable to use by the lessee before the lessee's request of repurchase or replacement}}{100,000} \times \text{vehicle's purchase price}$$

From the lessor to the lessee: Value of any trade-in and down payment or balloon payment.

Note:

In the event the arbitrator renders a decision awarding a repurchase of a leased vehicle, and the lessee accepts the decision, if the lessor does not provide the refund as specified by the arbitrator and does not terminate the lease and release title to the vehicle, the lessee may contact the Georgia Governor's Office of Consumer Affairs for assistance.

REPLACEMENT OF A LEASED VEHICLE

If a manufacturer replaces a vehicle under the Georgia MVWR Act, the manufacturer must give the lessee a new motor vehicle that is identical or reasonably equivalent to the motor vehicle to be replaced, as the vehicle to be replaced existed at time of purchase. The contractual obligation between the lessor and lessee will not be altered except for the terms of the agreement that identified the vehicle. In addition, the manufacturer must pay collateral charges and incidental costs as defined below:

1. Collateral charges. All collateral charges that are wholly incurred as a result of the acquisition of the vehicle, which the lessor or lessee incurs a second time and which would not have been incurred again except for the replacement.
2. Incidental costs. Incidental costs are any reasonable expenses incurred by the lessor or lessee in connection with the repair of the vehicle, including but not limited to:
 - Payments to dealers for attempted repairs of nonconformities;
 - Towing charges; and

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- Costs of obtaining alternative transportation.

In addition, if a manufacturer replaces a vehicle under the Georgia MVWR Act, the lessee must pay the manufacturer a reasonable offset for use, as defined below.

Reasonable offset for use. A reasonable offset for the lessee's use shall be paid by the lessee to the manufacturer. The MVWR Act provides that the reasonable offset for use is computed by the following formula:

$$\text{reasonable offset} = \frac{\text{\# miles directly attributable to use by the lessee before the lessee's request of repurchase or replacement}}{100,000} \times \text{vehicle's purchase price}$$

Note:

Under some circumstances, the lessee may be able to seek a reimbursement for the reasonable offset for use from the lessor at the end of the lease term. Please contact the Georgia Governor's Office of Consumer Affairs for further information.

Summary of the Lemon Law

For vehicles purchased, leased or registered on or after January 1, 2009

PLEASE NOTE: The standards and remedies set forth below apply to disputes involving new motor vehicles purchased, leased or registered in Georgia on or after January 1, 2009. For standards and remedies applicable to vehicles purchased or leased before that date, see pages 2 through 9 of this summary.

STANDARDS OF THE GEORGIA LEMON LAW

The following is a brief explanation of most relevant provisions of the Georgia Lemon Law, currently codified at Georgia Code Section 10-1-780 et seq.

VEHICLES COVERED

The Georgia Lemon Law covers a new motor vehicle that was leased or purchased in Georgia or registered in Georgia by the original consumer. This includes a demonstrator vehicle and the self-propelled vehicle and chassis of a motor home. It does not include motorcycles, golf carts, trucks with a G.V.W. rating greater than 12,000 pounds, or vehicles that are bought used.

CONSUMERS COVERED

The Georgia Lemon Law covers a consumer who purchases or leases a new motor vehicle for personal, family, or household purposes. It also covers a business that purchases or leases no more than ten new motor vehicles a year for business purposes other than providing limousine rental services.

PROBLEMS COVERED

The Lemon Law covers vehicle nonconformities. A nonconformity is a defect, serious safety defect, or condition that substantially impairs the use, value, or safety of a new motor vehicle to the consumer, or renders the new motor vehicle nonconforming to a warranty. A nonconformity does not include a defect, a serious safety defect, or a condition that is the result of abuse, neglect, or unauthorized modification or alteration of the new motor vehicle.

“Serious safety defect” means a life-threatening defect or a malfunction that impedes the consumer’s ability to control or operate the motor vehicle for ordinary use or reasonable intended purposes or creates a risk of fire or explosion.

“Warranty” means any manufacturer’s express warranty or any affirmation

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of fact or promise made by the manufacturer in connection with the sale of a new motor vehicle to a consumer concerning the vehicle's materials, workmanship, operation, or performance which becomes part of the basis of the bargain. The term shall not include any extended coverage purchased by the consumer as a separate item or any statements made by the dealer in connection with the sale of the motor vehicle to a consumer which relate to the nature of the material or workmanship and affirm or promise that such material or workmanship is free of defects or will meet a specified level of performance.

REPORT AND REPAIR OF NONCONFORMITIES

Nonconformities must be reported during the lemon law rights period, which is the period ending two years after the date of the original delivery of a new motor vehicle to a consumer OR the first 24,000 miles of operation after delivery of a new motor vehicle to a consumer, whichever occurs first.

If a consumer reports a nonconformity during the lemon law rights period, the manufacturer, its authorized agent or dealer must be allowed a reasonable number of attempts to repair and correct the nonconformity.

REASONABLE NUMBER OF REPAIR ATTEMPTS

A reasonable number of attempts shall be deemed to have been undertaken by the manufacturer, its authorized agent or the dealer if, during the lemon law rights period:

1. A serious safety defect has been subject to repair one time and has not been corrected;
2. The same nonconformity that is not a serious safety defect has been subject to repair three times and has not been corrected; or
3. The vehicle is out of service by reason of repair of one or more nonconformities for a cumulative total of 30 days.

If the lemon law rights period should expire while the vehicle is being repaired, the lemon law rights period is extended until that repair attempt has been completed.

“Repair attempt” means the replacement of a component or some adjustment made to correct a nonconformity. An examination of a reported nonconformity, without any adjustment or component replacement, may constitute a repair attempt if it is later

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shown that repair work was justified. An examination or repair performed by any person not authorized by the manufacturer or its authorized agent is not considered a repair attempt. If the new motor vehicle is a motor home and the consumer goes to a repair facility for repair of a nonconformity while traveling, and that facility does not have the necessary part(s) to perform the repair, and the consumer elects to continue traveling and seek repair of the nonconformity at another repair facility rather than wait for the initial facility to get the part(s), then the visit to the initial repair facility does not constitute a repair attempt.

An "out of service" day means any day, including weekends and legal holidays, when a vehicle is left at a repair facility of the manufacturer's agent or dealer for examination or repair of a nonconformity. The number of out of service days for each visit commences the day the vehicle is brought to the facility for that repair work and ends the day the work is completed. Out of service days do not include (1) any day a vehicle is dropped off at the repair facility after close of business; or (2) any day on which the vehicle is left at the repair facility exclusively for routine maintenance; for repair of problems not found to be nonconformities; or for repair of nonconformities after the expiration of the lemon law rights period.

MANUFACTURER'S RIGHT TO FINAL OPPORTUNITY TO REPAIR

If the manufacturer, its agent, or the new motor vehicle dealer is unable to repair and correct a serious safety defect or the same nonconformity after a reasonable number of attempts (as described on page 11), the consumer must notify the manufacturer and allow a final opportunity to repair. (The requirement for a final opportunity to repair does not apply if the vehicle was out of service by reason of repair of one or more nonconformities for a cumulative total of 30 days within the lemon law rights period.)

This notice must be sent by certified mail, return receipt requested, or by statutory overnight delivery to the address provided by the manufacturer and must include relevant information about the vehicle, the nonconformity, and the previous repair attempts. The manufacturer is then entitled to a final repair attempt, as long as the manufacturer notifies the consumer of a reasonably accessible repair facility within 7 days of receiving the consumer's notice. The manufacturer must complete the final repair attempt within 28 days after receiving the consumer's notice.

However, if the consumer delivers the vehicle to the repair facility more than 14 days after the manufacturer received the consumer's notice, the 28 day period is extended and the manufacturer has 14 days from the date the consumer delivers the vehicle to the repair facility to complete the final repair attempt.

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For vehicles purchased, leased or registered on or after January 1, 2009

If the manufacturer fails to notify the consumer or complete the final repair within the time periods prescribed above, the final opportunity to repair requirement shall not apply.

Notice sufficiently complies with “statutory overnight delivery” if (1) the notice is delivered through the United States Postal Service (USPS) or through a commercial firm regularly engaged in the business of document and/or package delivery; (2) the document is to be delivered not later than the next business day following the day on which it is received for delivery by USPS or the commercial firm; and (3) the sender receives a receipt, signed by the addressee or its agent, acknowledging receipt of the document.

MANUFACTURER’S OBLIGATION TO REPURCHASE OR REPLACE

If the nonconformity is not corrected after the final opportunity to repair, or if the vehicle was out of service by reason of repair to any nonconformities for a cumulative total of 30 days within the lemon law rights period, the consumer must request, by certified mail, return receipt requested, or statutory overnight delivery that the manufacturer either replace or repurchase the vehicle. The manufacturer must, within 20 days of receipt of this last request, replace or repurchase the vehicle.

DISPUTE RESOLUTION

If the manufacturer participates in an informal dispute resolution mechanism that has been certified by the Georgia Governor’s Office of Consumer Affairs, then a consumer must submit a dispute under the Lemon Law to the informal dispute resolution procedure before submitting it to the Georgia new motor vehicle arbitration panel. A consumer must exhaust any certified informal dispute resolution procedure and the Georgia new motor vehicle arbitration panel remedy before filing any superior court action. The consumer has the option of either accepting or rejecting the decision of an informal dispute resolution mechanism.

If a decision is not rendered by the informal dispute mechanism within forty (40) days of filing, the consumer will become eligible to apply for arbitration by the Georgia new motor vehicle arbitration panel.

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For vehicles purchased, leased or registered on or after January 1, 2009

PERIOD FOR FILING CLAIMS

For any vehicle purchased, leased or registered on or after January 1, 2009, a consumer must file a claim with the informal dispute resolution mechanism within one year after the expiration of the lemon law rights period (as described on page 11).

A consumer who rejects the decision or determination of an informal dispute resolution mechanism may request a hearing with the state-operated panel by requesting, completing, and submitting forms to the Georgia Governor's Office of Consumer Affairs, within sixty (60) days from the date the mechanism concludes its proceedings or within one year after expiration of the lemon law rights period, whichever occurs later. To request a state arbitration application, please call (404) 656-3790.

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REMEDIES UNDER THE GEORGIA LEMON LAW

REPURCHASE OF AN OWNED VEHICLE

The Georgia Lemon Law sets out the following amounts that a manufacturer must pay when it repurchases an owned vehicle under the Lemon Law:

1. Purchase price. This means the cash price of the vehicle appearing in the sales agreement, including any reasonable allowance for a trade-in vehicle
2. Collateral charges. Collateral charges are those charges incurred by a consumer as a result of the purchase of the vehicle. Collateral charges include but are not limited to:
 - Sales tax;
 - Title charges;
 - Factory or dealer installed options; and
 - Earned finance charges
3. Incidental costs. Incidental costs are any reasonable expenses incurred by the consumer in connection with the repair of the vehicle, including but not limited to:
 - Payments to dealers for attempted repairs of nonconformities;
 - Towing charges; and
 - Costs of obtaining alternative transportation.
4. Reasonable offset for use. A reasonable offset for the consumer's use is subtracted from the amounts paid to the consumer. The Lemon Law provides that the reasonable offset for use is computed using the following formula:

$$\text{reasonable offset} = \frac{\text{\#miles directly attributable to use by consumer before consumer first delivered vehicle for repair of nonconformity}}{120,000 \text{ (90,000 for motor home)}} \times \text{vehicle's purchase price}$$

Refunds under this provision will be made to the consumer and to the lien holder of record, if applicable.

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REPLACEMENT OF AN OWNED VEHICLE

If a manufacturer replaces an owned vehicle under the Georgia Lemon Law, it must give the consumer a new motor vehicle that is identical or at least equivalent to the motor vehicle to be replaced, as the vehicle to be replaced existed at the time of purchase. In addition to replacing the vehicle, the manufacturer must pay the consumer for:

1. Incidental costs. Incidental costs are any reasonable expenses incurred by the consumer in connection with the repair of the vehicle, including but not limited to:
 - Payments to dealers for attempted repairs of nonconformities;
 - Towing charges; and
 - Costs of obtaining alternative transportation.
2. Charges. All charges that the consumer will incur as a result of the replacement transaction.

REPURCHASE OF A LEASED VEHICLE

For repurchase of a leased vehicle, the Georgia Lemon Law requires that the manufacturer pay certain amounts to the lessor and to the lessee. A repurchase award will consist of the following amounts that the manufacturer must pay to the lessee and the lessor:

To the lessee:

1. Lessee cost. An amount equal to all payments made by the lessee under the lease agreement, including but not limited to, the aggregate payment made at the inception of the lease agreement or contract, inclusive of any allowance for a trade-in vehicle, and all other lease payments made by or on behalf of the lessee.
2. Incidental costs. Incidental costs are any reasonable expenses incurred by the consumer in connection with the repair of the vehicle, including but not limited to:
 - Payments to dealers for attempted repair of nonconformities;
 - Towing charges; and
 - Costs of obtaining alternative transportation.
3. Reasonable offset for use. A reasonable offset for the lessee's use of the nonconforming vehicle is subtracted from the amounts paid to the lessee. The

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Georgia Lemon Law provides that the reasonable offset for use is computed using the following formula:

$$\text{reasonable offset} = \frac{\text{\#miles directly attributable to use by consumer before consumer first delivered vehicle for repair of nonconformity}}{120,000 \text{ (90,000 for motor home)}} \times \text{agreed upon value of vehicle shown in lease agreement}$$

To the lessor:

1. An amount equal to 110 percent of the adjusted capitalized cost shown in the lease agreement for the nonconforming vehicle.

After the manufacturer pays the amount to the lessor, and after the lessee pays the lessor any past due payments, the lease agreement is terminated, with no penalty for early termination.

REPLACEMENT OF A LEASED VEHICLE

If a manufacturer replaces a leased vehicle, the Georgia Lemon Law requires the manufacturer to give the lessee a new motor vehicle that is identical or at least equivalent to the motor vehicle to be replaced, as that vehicle existed at time it was leased. All terms of the existing lease contract will remain in effect, except for the terms of the agreement that identified the vehicle. In addition to replacing the vehicle, the manufacturer must pay the lessor and/or the lessee for certain charges and incidental costs as defined below:

1. **Charges.** All charges that either the lessor or the lessee, or both, will incur as a result of the replacement transaction.
2. **Incidental costs.** Incidental costs are any reasonable expenses incurred by the lessee in connection with the repair of the vehicle, including but not limited to:
 - Payments to dealers for attempted repairs of nonconformities;
 - Towing charges; and
 - Costs of obtaining alternative transportation.