# INDIANA LEMON LAW SUMMARY

## EXECUTIVE SUMMARY

<table>
<thead>
<tr>
<th><strong>TIME PERIOD FOR FILING CLAIMS</strong></th>
<th>Two years following consumer’s first report of nonconformity to manufacturer, agent or dealer. (First report must occur within Term of Protection – the earlier of 18 months or 18,000 miles after original delivery.)</th>
</tr>
</thead>
</table>

**ELIGIBLE VEHICLE**

Any self-propelled vehicle that (1) has a GVW less than 10,000 pounds; (2) is sold to a buyer in Indiana and is registered in Indiana, or to a buyer in Indiana who is not an Indiana resident; (3) is intended primarily for use and operation on public highways; and (4) is required to be registered or licensed. Excludes conversion vans; motor homes; farm tractors and other machines used in the actual production, harvesting, and care of farm products; road building equipment; truck tractors; road tractors; motor cycles; mopeds; snowmobiles; or vehicles designed primarily for off-road use.

Appears to cover used vehicles.

**ELIGIBLE CONSUMER**

Any person who, for purposes other than resale or sublease, enters into an agreement or contract in Indiana for the transfer, lease or purchase of a motor vehicle.

**TIME PERIOD FOR FIRST OCCURRENCE OR NOTICE**

During the Term of Protection (the earlier of 18 months or 18,000 miles after original delivery).

**TIME PERIOD FOR REASONABLE NUMBER OF ATTEMPTS TO REPAIR**

Not specified.

**PRESUMPTION OR DEFINITION**

Definition: either (1) four repair attempts or (2) out of service for 30 business days.

**NOTICE TO MANUFACTURER**

Written notice required before consumer is eligible for refund or replacement.

**FINAL OPPORTUNITY TO REPAIR**

Not specified.

**REASONABLE ALLOWANCE**

Refund only: miles before vehicle’s return divided by 100,000, multiplied by contract price.

**DISPUTE RESOLUTION**

Before obtaining lemon law remedies, must resort to manufacturer’s program if certified and consumer adequately notified.

**DISCLOSURE TO SUBSEQUENT PURCHASER**

Yes.

**TITLE BRANDING**

Yes.
**INDIANA LEMON LAW SUMMARY**

1. **Citation**  

2. **Motor vehicle covered**  
   Covers any self-propelled vehicle that (1) has a declared gross vehicle weight of less than 10,000 pounds; (2) is sold to a buyer in Indiana and is registered in Indiana, or to a buyer in Indiana who is not an Indiana resident; (3) is intended primarily for use and operation on public highways; and (4) is required to be registered or licensed before use or operation.

   Excludes conversion vans; motor homes; farm tractors and other machines used in the actual production, harvesting, and care of farm products; road building equipment; truck tractors; road tractors; motor cycles; mopeds; snowmobiles; or vehicles designed primarily for off-road use.

3. **Consumer covered**  
   Covers any person who, for purposes other than resale or sublease, enters into an agreement or contract in Indiana for the transfer, lease or purchase of a motor vehicle.

4. **Nonconformity defined**  
   Any specific or generic defect or condition or any concurrent combination of defects or conditions that (1) substantially impairs the use, market value, or safety of a motor vehicle; or (2) renders the motor vehicle nonconforming to the terms of an applicable manufacturer’s warranty.

   Note that the lemon law provides the manufacturer an affirmative defense if the nonconformity does not substantially impair the use, value, or safety of the motor vehicle.

5. **Warranty defined**  
   Not defined.

6. **Lemon law rights period**  
   “Term of protection” defined as the earlier of 18 months or 18,000 miles after the date of the motor vehicle’s original delivery to a consumer.

7. **Manufacturer’s obligation to repair**  
   If the consumer reports the nonconformity to the manufacturer, its agent, or authorized dealer within the term of protection, the nonconformity must be corrected, even if the repairs are made after the expiration of the term of protection.

8. **Manufacturer’s obligation to repurchase or replace**  
   If the manufacturer, agent or authorized dealer is unable to correct a nonconformity after a reasonable number of attempts, the manufacturer must, at the consumer’s option, either repurchase or replace the vehicle.

9. **Criteria for reasonable number of repair attempts**  
   Satisfied if (1) the same nonconformity has been subject to repair at least four times by the manufacturer, agent or authorized dealer, but the nonconformity continues to exist; or (2) the vehicle is out of service by reason of repair of any nonconformity for a cumulative total of at least 30 business days and the nonconformity continues to exist.

   “Business day” means a day other than Sunday or a legal holiday.

10. **Notice of nonconformity and final opportunity to repair**  
    The consumer must notify the manufacturer in writing of a lemon law claim if the manufacturer has clearly and conspicuously disclosed in the warranty or owner’s manual that such notice is required. The manufacturer must also include in the warranty or owner’s manual the name and address to which the consumer must send the written notice.

11. **Affirmative defenses**  
    It is an affirmative defense that:
    (1) The nonconformity, defect or condition does not substantially impair the use, value, or safety of the vehicle; or
    (2) The nonconformity, defect or condition is the result of abuse, neglect, or unauthorized modification or alteration of the motor vehicle by the consumer.

12. **Refund**  
    **Purchased Vehicle**

    Refund consists of:
    (1) Full contract price of the vehicle, including all credits and allowances for any trade-in
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<table>
<thead>
<tr>
<th>Event</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Vehicle:</strong></td>
<td>vehicle;</td>
</tr>
<tr>
<td><strong>2. All sales tax:</strong></td>
<td>(2) All sales tax;</td>
</tr>
<tr>
<td><strong>3. Registration fee and excise tax:</strong></td>
<td>(3) The unexpended portion of the registration fee and excise tax that has been prepaid for any calendar year;</td>
</tr>
<tr>
<td><strong>4. Finance charges:</strong></td>
<td>(4) All actually expended finance charges;</td>
</tr>
<tr>
<td><strong>5. Options added:</strong></td>
<td>(5) The cost of all options added by the authorized dealer; and</td>
</tr>
<tr>
<td><strong>6. Towing and rental:</strong></td>
<td>(6) Necessary towing and rental car costs incurred as a direct result of the nonconformity;</td>
</tr>
<tr>
<td><strong>7. Reasonable allowance:</strong></td>
<td>(7) Less a reasonable allowance for use.</td>
</tr>
</tbody>
</table>

### Leased Vehicle

**To the lessor:**
- (1) 105% of the lessor's purchase cost, including freight and accessories;
- (2) Any fee paid by the lessor to another to obtain the lease;
- (3) Any insurance premiums or other costs expended by the lessor for the benefit of the lessee;
- (4) Sales tax paid by the lessor;
- (5) Minus the total of all deposit and lease payments paid by the lessee to the lessor, including all credits and allowances for any trade-in vehicle.

**To the lessee:**
- (1) All deposit and lease payments paid by the lessee to the lessor, including all credits and allowances for any trade-in vehicles; and
- (2) Necessary towing and rental costs incurred as a direct result of the nonconformity;
- (3) Less a reasonable allowance for use.

### Replacement

Replacement is a vehicle of comparable value. The manufacturer must also reimburse the consumer:
- (1) Any fees for the transfer of registration or any sales tax incurred by the consumer as a result of replacement; and
- (2) Necessary towing and rental costs actually incurred as a direct result of the nonconformity.

If the replaced vehicle was financed by the manufacturer, its subsidiary, or agent, the manufacturer, subsidiary or agent may not require the consumer to enter into any refinancing agreement concerning the replacement vehicle that would create any financial obligations upon the consumer that are less favorable that those of the original financing agreement.

### Reasonable allowance

Applies to a refund but not to a replacement. The reasonable allowance for use of a purchased vehicle is calculated as follows:

\[
\text{Reasonable allowance} = \frac{\text{Number of miles that the vehicle traveled before its return}}{100,000} \times \text{Total contract price}
\]

The reasonable allowance for use of a leased vehicle is calculated as follows:

\[
\text{Reasonable allowance} = \frac{\text{Number of miles that the vehicle traveled before its return}}{100,000} \times \frac{\text{Total lease obligation of the lessee at the inception of the lease}}{100,000}
\]

### Refund of sales tax

Manufacturer refunds sales tax to the consumer. No provision for the manufacturer to obtain a refund of sales tax from the state.

### Enhanced damages

Not specified.

### Attorney’s fees

A consumer who prevails in a civil action is entitled to recover aggregate costs and expenses, including attorney’s fees based on actual time expended by the attorney determined by the court to have been reasonably incurred by the consumer in connection with the commencement and prosecution of the action.

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This information is not intended as legal advice.

Please direct specific questions to your legal counsel.

18. **Statute of limitations**

An action must be commenced within two years following the date that the consumer first reports the nonconformity to the manufacturer, its agent or authorized dealer. The two-year period does not run during the time the consumer resorts to a certified informal dispute settlement procedure.

19. **Manufacturer-sponsored arbitration**

The lemon law does not apply to any consumer who has not first resorted to an informal dispute settlement procedure established by the manufacturer or in which the manufacturer participates, if:

1. The procedure is certified by the Attorney General as complying with 16 C.F.R. Part 703 and any other rules concerning certification adopted by the Attorney General (including the requirement of oral hearings); and
2. The consumer has received adequate written notice from the manufacturer of the existence of the procedure, including incorporation of the procedure into the terms of the written warranty.

20. **State-sponsored arbitration**

Not specified.

21. **Dealer liability**

Nothing in the lemon law imposes any liability or creates a cause of action by a consumer against a dealer, and a manufacturer may not directly or indirectly expose any franchised dealer to liability under the lemon law.

22. **Restrictions on resale of returned vehicles**

“Buyback vehicle” means a motor vehicle that has been replaced or repurchased by a manufacturer or a nonresident manufacturer’s agent or an authorized dealer, either under the lemon law in any state by judgment, decree, arbitration award, settlement agreement, or voluntary agreement. “Buyback vehicle” does not mean a motor vehicle that was repurchased pursuant to a guaranteed repurchase or satisfaction program advertised by the manufacturer and was not alleged or found to have a nonconformity.

A buyback vehicle may not be resold in Indiana unless all of the following conditions are met:

1. The manufacturer provides the same express warranty that the manufacturer provided to the original purchaser, except that the term need only last for 1 year or 12,000 miles after resale.
2. The following disclosure language is conspicuously contained in the buyback vehicle’s contract for sale or lease or in a form affixed to the contract: “IMPORTANT This vehicle was previously sold as new. It was subsequently returned to the manufacturer or authorized dealer in exchange for a replacement vehicle or a refund because it did not conform to the manufacturer’s express warranty and the nonconformity was not cured within a reasonable time as provided by Indiana law.”
3. The manufacturer provides the dealer with a separate document with a written statement, in 10-point all capital type, identifying the vehicle conditions that formed the basis for the previous owner’s or lessee’s dissatisfaction and the steps taken to deal with that dissatisfaction.

Before reselling a buyback vehicle in Indiana, a dealer must provide to the consumer the express warranty and written statement, and obtain the consumer’s acknowledgment of this disclosure at the time of sale or lease as evidenced by the consumer’s signature on the statement.

The manufacturer who accepts return of a buyback vehicle must (1) stamp the words “Manufacturer Buyback – Disclosure on File” on the face of the original certificate of title, before transferring ownership of the vehicle; and (2) by 31 days after receipt of the title, apply to the Bureau of Motor Vehicles for a certificate of title in the name of the manufacturer and provide the Bureau with a copy of the disclosure statement provided to the consumer.

A person who fails to comply with these requirements is liable for (1) actual damages or the value of the consideration, at the option of the consumer; (2) costs of an action to recover damages and reasonable attorney’s fees; (3) no more than 3 times the value of actual damages or consideration as exemplary damages; and (4) other equitable relief, including restitution, in addition to damages and costs.
“Actual damages” include (1) difference between actual market value of the vehicle at time of purchase and the contract price; (2) towing, repair, and storage expenses; (3) rental of substitute transportation; (4) food and lodging expenses; (5) lost wages; (6) finance charges; (7) sales or use tax or other governmental fees; (8) lease charges; and (9) other incidental and consequential damages.

An action to enforce liability under these provisions may be brought within 2 years from the date of discovery by the consumer.

| 23. **Point of sale notice of lemon law rights** | The manufacturer must clearly and conspicuously disclose to the consumer, in the warranty or owner’s manual, that written notification of the nonconformity is required before the consumer may be eligible for a refund or replacement. The manufacturer must include the name and address to which the consumer must send the notification. |
| 24. **Limitation on waiver** | Not specified. |