

Nebraska's Lemon Law

The material in this handout represents general legal principles. Since the law is continuously changing, some provisions in this pamphlet may change with time. If further assistance is required, consult with an attorney about your legal rights and responsibilities regarding your particular situation.

WHAT IS A "LEMON"?

A "Lemon" is generally a new motor vehicle, which has a defect or condition that (1) substantially impairs the use and market value of the vehicle and (2) cannot be repaired after reasonable attempts.

WHAT VEHICLES ARE COVERED BY THE LEMON LAW?

The Lemon Law applies to motor vehicles that are: (1) purchased in Nebraska, (2) not previously owned by someone else, and (3) covered by warranty or less than one year old.

WHAT VEHICLES ARE NOT COVERED BY THE LEMON LAW?

Vehicles not covered are trailers, self-propelled mobile homes, and used vehicles.

WHAT CRITERIA MUST BE MET BY THE BUYER FOR THE LEMON LAW TO BE USED?

(1) The buyer must have taken the vehicle to the dealer four or more times for repair of the SAME problem *or* (2) the buyer must have been without use of the vehicle for 40 or more days total and there cannot be any unauthorized modifications made to the vehicle by you. In addition, the buyer must have given the manufacturer written notification of the problem by certified mail, and must have given the manufacturer an opportunity to fix to problem.

IF THE BUYER QUALIFIES, WHAT IS THE NEXT STEP?

If the vehicle's manufacturer has agreed to be bound by an informal dispute settlement procedure (arbitration), then the buyer must go through that procedure before going to court. This information should be in the purchase agreement.

The Nebraska Department of Motor Vehicles has extensive information on how to begin the arbitration process in connection with the Nebraska Lemon Law, as well as information on arbitration relating to individual vehicle manufacturers. This information includes a description of what exactly arbitration is, whether arbitration is available to you, details on the notice that must be given to the manufacturer, contact information, and more.

This information can be accessed at: <http://www.dmv.ne.gov/legal/arbitration.html>

WHAT ARE THE TIME LIMITS IN ORDER FOR THE BUYER TO BE ABLE TO TAKE ACTION UNDER THE LEMON LAW?

Any action under the Lemon Law must be started by written notice to the manufacturer within (1) one year after the expiration of the express warranty terms, or (2) within two years of the date the buyer accepted original delivery of the vehicle, whichever date is earlier.

IF ALL OF THE STEPS ARE FOLLOWED, WHAT CAN THE LEMON LAW DO FOR THE BUYER?

If the buyer can show he has a genuine “lemon”, the manufacturer can be ordered to repair or replace the vehicle with a comparable vehicle or the manufacturer can be ordered to refund the full purchase price including sales tax, license fees, and registration fees less a reasonable allowance for the use of the vehicle.

RESOURCES:

Nebraska Department of Motor Vehicles
301 Centennial Mall South
P.O. Box 94789
Lincoln, NE 68509-4789
(402) 471-2281

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