

STATE OF NEW YORK

8594--A

Cal. No. 215

2025-2026 Regular Sessions

IN ASSEMBLY

May 22, 2025

Introduced by M. of A. P. CARROLL -- read once and referred to the Committee on Consumer Affairs and Protection -- ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the general business law, in relation to the lemon law applied to new and used motor vehicles

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Paragraphs 2, 4, 7 and 8 of subdivision (a) of section
2 198-a of the general business law, paragraph 2 as amended by chapter 485
3 of the laws of 2003 and paragraphs 4, 7 and 8 as added by chapter 799 of
4 the laws of 1986, are amended and two new paragraphs 9 and 10 are added
5 to read as follows:

6 (2) "Motor vehicle" means a motor vehicle excluding off-road vehicles,
7 which was subject to a manufacturer's express warranty at the time of
8 original delivery to a consumer and [~~either~~] (i) was purchased, leased,
9 or registered or transferred in this state within either the first
10 [~~eighteen~~] thirty-six thousand miles of operation or [~~two~~] three years
11 from the date of original delivery to a consumer, whichever is earlier,
12 or (ii) is registered in this state;

13 (4) "Mileage deduction formula" means the mileage which is in excess
14 of [~~twelve~~] twenty-four thousand miles times the purchase price, or the
15 lease price if applicable, of the vehicle divided by [~~one~~] two hundred
16 thousand miles.

17 (7) "Service fees" means the portion of a lease [~~payment~~] payments
18 attributable to:

19 (i) [~~an amount for earned interest calculated on the rental payments~~]
20 a percentage of the lease payments previously paid to the lessor for the
21 leased vehicle at an annual rate equal to two points above the prime
22 rate in effect on the date of the execution of the lease; and

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 (ii) any insurance or other costs expended by the lessor for the bene-
2 fit of the lessee.

3 (8) "Capitalized cost" means the aggregate deposit, including any
4 trade-in allowance, and [~~rental~~] lease payments previously paid to the
5 lessor for the leased vehicle less service fees.

6 (9) "Authorized dealer" means any dealer owned or operated by the
7 manufacturer or its agents.

8 (10) "Lease payment" means the entire monthly payment paid by the
9 lessee to the lessor, for the use of the vehicle, excluding taxes,
10 service contracts, insurance, fees and charges.

11 § 2. Paragraphs 1 and 2 of subdivision (b) of section 198-a of the
12 general business law, paragraph 1 as amended by chapter 217 of the laws
13 of 1990 and paragraph 2 as amended by chapter 279 of the laws of 1989,
14 are amended to read as follows:

15 (1) If a new motor vehicle which is [~~sold and~~] purchased, leased,
16 transferred or registered in this state does not conform to all express
17 warranties during the first [~~eighteen~~] thirty-six thousand miles of
18 operation or during the period of [~~two~~] three years following the date
19 of original delivery of the motor vehicle to such consumer, whichever is
20 the earlier date, the consumer shall during such period report the
21 nonconformity, defect or condition to the manufacturer, its agent or its
22 authorized dealer. If the notification is received by the manufacturer's
23 agent or authorized dealer, the agent or dealer shall within seven days
24 forward written notice thereof to the manufacturer by certified mail,
25 return receipt requested, and shall include in such notice a statement
26 indicating whether or not such repairs have been undertaken. The
27 manufacturer, its agent or its authorized dealer shall correct said
28 nonconformity, defect or condition at no charge to the consumer,
29 notwithstanding the fact that such repairs are made after the expiration
30 of such period of operation or such [~~two~~] three year period.

31 (2) If a manufacturer's agent or authorized dealer refuses to under-
32 take repairs within seven days of receipt of the notice by a consumer of
33 a nonconformity, defect or condition pursuant to paragraph one of this
34 subdivision, the consumer may immediately forward written notice of such
35 refusal to the manufacturer by certified mail, return receipt requested.
36 The manufacturer or its authorized agent shall have twenty days from
37 receipt of such notice of refusal to commence such repairs. If within
38 such twenty day period, the manufacturer or its authorized agent fails
39 to commence such repairs, the manufacturer, at the option of the consum-
40 er, shall replace the motor vehicle with a comparable motor vehicle, or
41 accept return of the vehicle from the consumer and refund [~~to the~~
42 ~~consumer~~] the full purchase price or, if applicable, the lease price
43 [~~and any trade-in allowance~~] plus fees and charges. Such fees and charg-
44 es shall include but not be limited to all license fees, registration
45 fees, title fees, document fees and any similar governmental charges,
46 plus any incidental damages including, but not limited to, reasonable
47 repair, towing, and rental car costs incurred by the consumer, less an
48 allowance for the consumer's use of the vehicle in excess of the first
49 [~~twelve~~] twenty-four thousand miles of operation pursuant to the mileage
50 deduction formula defined in paragraph four of subdivision (a) of this
51 section, and a reasonable allowance for any damage not attributable to
52 normal wear or improvements.

53 § 3. Subdivision c of section 198-a of the general business law, as
54 amended by chapter 799 of the laws of 1986, paragraph 1 as amended by
55 chapter 234 of the laws of 1990 and paragraph 2 as amended by chapter 29
56 of the laws of 1989, is amended to read as follows:

1 (c) (1) If, within the period specified in subdivision (b) of this
2 section, the manufacturer or its agents or authorized dealers are unable
3 to repair or correct any defect or condition which substantially impairs
4 the value, safety, or use of the motor vehicle to the consumer after a
5 reasonable number of attempts, the manufacturer, at the option of the
6 consumer, shall replace the motor vehicle with a comparable motor vehi-
7 cle, or accept return of the vehicle from the consumer and refund [~~to~~
8 ~~the consumer~~] the full purchase price or, if applicable, the lease price
9 [~~and any trade-in allowance~~] plus fees and charges. Any return of a
10 motor vehicle may, at the option of the consumer, be made to the dealer
11 or other authorized agent of the manufacturer who sold such vehicle to
12 the consumer or to the dealer or other authorized agent who attempted to
13 repair or correct the defect or condition which necessitated the return
14 and shall not be subject to any further shipping charges. Such fees and
15 charges shall include but not be limited to all license fees, registra-
16 tion fees, title fees, document fees and any similar governmental charg-
17 es, plus any incidental damages including, but not limited to, reason-
18 able repair, towing, and rental car costs incurred by the consumer, less
19 an allowance for the consumer's use of the vehicle in excess of the
20 first [~~twelve~~ twenty-four] thousand miles of operation pursuant to the
21 mileage deduction formula defined in paragraph four of subdivision (a)
22 of this section, and a reasonable allowance for any damage not attribut-
23 able to normal wear or improvements.

24 (2) A manufacturer which accepts return of the motor vehicle because
25 the motor vehicle does not conform to its warranty shall notify the
26 commissioner of the department of motor vehicles that the motor vehicle
27 was returned to the manufacturer for nonconformity to its warranty and
28 shall disclose, in accordance with the provisions of section four
29 hundred seventeen-a of the vehicle and traffic law prior to resale
30 either at wholesale or retail, that it was previously returned to the
31 manufacturer for nonconformity to its warranty. Refunds shall be made to
32 the consumer and lienholder, if any, as their interests may appear on
33 the records of ownership kept by the department of motor vehicles.
34 Refunds shall be accompanied by the proper application for credit or
35 refund of state and local sales taxes as published by the department of
36 taxation and finance and by a notice that the sales tax paid on the
37 purchase price, lease price or portion thereof being refunded is refund-
38 able by the commissioner of taxation and finance in accordance with the
39 provisions of subdivision (f) of section eleven hundred thirty-nine of
40 the tax law. If applicable, refunds shall be made to the lessor and
41 lessee as their interests may appear on the records of ownership kept by
42 the department of motor vehicles or as set forth in the lease agreement,
43 as follows: the lessee shall receive the capitalized cost plus fees and
44 charges and the lessor shall receive the lease price less the [~~aggregate~~
45 ~~deposit and rental payments previously paid to the lessor for the leased~~
46 ~~vehicle~~] capitalized cost, plus service fees. The terms of the lease
47 shall be deemed terminated contemporaneously with the date of the
48 arbitrator's decision and award and no penalty for early termination
49 shall be assessed as a result thereof. Refunds shall be accompanied by
50 the proper application form for credit or refund of state and local
51 sales tax as published by the department of taxation and finance and a
52 notice that the sales tax paid on the lease price or portion thereof
53 being refunded is refundable by the commissioner of taxation and finance
54 in accordance with the provisions of subdivision (f) of section eleven
55 hundred thirty-nine of the tax law.

1 (3) It shall be an affirmative defense to any claim under this section
2 that:

3 (i) the nonconformity, defect or condition does not substantially
4 impair such value, safety or use; or

5 (ii) the nonconformity, defect or condition is the result of abuse,
6 neglect or unauthorized modifications or alterations of the motor vehi-
7 cle.

8 § 4. Subdivisions (d), (e), (g) and (h) of section 198-a of the gener-
9 al business law, subdivisions (d), (g) and (h) as amended by chapter 799
10 of the laws of 1986 and subdivision (e) as added by chapter 444 of the
11 laws of 1983, are amended to read as follows:

12 (d) It shall be presumed that a reasonable number of attempts have
13 been undertaken to conform a motor vehicle to the applicable express
14 warranties, if:

15 (1) the same nonconformity, defect or condition has been subject to
16 repair four or more times by the manufacturer or its agents or author-
17 ized dealers within the first [~~eighteen~~] thirty-six thousand miles of
18 operation or during the period of [~~two~~] three years following the date
19 of original delivery of the motor vehicle to a consumer, whichever is
20 the earlier date, but such nonconformity, defect or condition continues
21 to exist; [~~or~~]

22 (2) the vehicle is out of service by reason of repair of one or more
23 nonconformities, defects or conditions for a cumulative total of thirty
24 or more calendar days during either period, whichever is the earlier
25 date; or

26 (3) the nonconformity, defect or condition may cause death or serious
27 bodily injury or creates a risk of fire or explosion if the vehicle is
28 driven, and such nonconformity, defect or condition has been subject to
29 repair more than one time by the manufacturer or its agents or author-
30 ized dealers within the first thirty-six thousand miles of operation or
31 during the period of three years following the date of original deliv-
32 ery of the motor vehicle to a consumer, whichever is the earlier date,
33 but such nonconformity, defect or condition continues to exist.

34 (e) The term of an express warranty, the [~~two~~] three year warranty
35 period and the thirty day out of service period shall be extended by any
36 time during which repair services are not available to the consumer
37 because of a war, invasion or strike, fire, flood or other natural
38 disaster.

39 (g) If a manufacturer has established an informal dispute settlement
40 mechanism, such mechanism shall comply in all respects with the
41 provisions of this section and the provisions of subdivision (c) of this
42 section concerning refunds or replacement shall not apply in the
43 manufacturer's informal dispute settlement mechanism to any consumer who
44 has not first resorted to such mechanism. In the event that an arbitra-
45 tor in such an informal dispute mechanism awards a refund or replacement
46 vehicle, [~~he or she~~] the arbitrator shall not reduce the award to an
47 amount less than the full purchase price or the lease price, if applica-
48 ble, or a vehicle of equal value, plus all fees and charges except to
49 the extent such reductions are specifically permitted under subdivision
50 (c) of this section.

51 (h) A manufacturer shall have up to thirty days from the date the
52 consumer notifies the manufacturer of [~~his or her~~] such consumer's
53 acceptance of the arbitrator's decision to comply with the terms of that
54 decision. Failure to comply with the thirty day limitation shall also
55 entitle the consumer to recover a fee of [~~twenty-five~~] up to two hundred
56 fifty dollars for each business day of noncompliance up to [~~five~~]

1 ~~hundred~~ five thousand dollars. Provided, however, that nothing
2 contained in this subdivision shall impose any liability on a manufac-
3 turer where a delay beyond the thirty day period is attributable to a
4 consumer who has requested a replacement vehicle built to order or with
5 options that are not comparable to the vehicle being replaced or other-
6 wise made compliance impossible within said period. In no event shall a
7 consumer who has resorted to an informal dispute settlement mechanism be
8 precluded from seeking the rights or remedies available by law.

9 § 5. Paragraph 2 of subdivision (m) of section 198-a of the general
10 business law, as added by chapter 799 of the laws of 1986, subparagraph
11 1 as amended by chapter 217 of the laws of 1990 and subparagraph 4 as
12 amended by chapter 263 of the laws of 1990, is amended to read as
13 follows:

14 (2) The following notice shall be provided to consumers and arbitra-
15 tors and shall be printed in conspicuous ten point bold face type:

16 NEW CAR LEMON LAW BILL OF RIGHTS

17 (1) IN ADDITION TO ANY WARRANTIES OFFERED BY THE MANUFACTURER, YOUR
18 NEW CAR, IF PURCHASED [~~AND~~], LEASED, TRANSFERRED, OR REGISTERED IN NEW
19 YORK STATE, IS WARRANTED AGAINST ALL MATERIAL DEFECTS FOR [~~EIGHTEEN~~]
20 THIRTY-SIX THOUSAND MILES OR [~~TWO~~] THREE YEARS FROM ORIGINAL DELIVERY TO
21 A CONSUMER, WHICHEVER COMES FIRST.

22 (2) YOU MUST REPORT ANY PROBLEMS TO THE MANUFACTURER, ITS AGENT, OR
23 AUTHORIZED DEALER.

24 (3) UPON NOTIFICATION, THE PROBLEM MUST BE CORRECTED FREE OF CHARGE.

25 (4) IF THE SAME PROBLEM CANNOT BE REPAIRED AFTER FOUR OR MORE
26 ATTEMPTS; OR IF THE SAME PROBLEM CANNOT BE REPAIRED AFTER ONE OR MORE
27 ATTEMPTS AND POSES A RISK OF DEATH OR SERIOUS BODILY INJURY; OR IF YOUR
28 CAR IS OUT OF SERVICE TO REPAIR A PROBLEM FOR A TOTAL OF THIRTY DAYS
29 DURING THE WARRANTY PERIOD; OR IF THE MANUFACTURER OR ITS AGENT REFUSES
30 TO REPAIR A SUBSTANTIAL DEFECT OR CONDITION WITHIN TWENTY DAYS OF
31 RECEIPT OF NOTICE SENT BY YOU TO THE MANUFACTURER BY CERTIFIED MAIL,
32 RETURN RECEIPT REQUESTED; THEN YOU MAY BE ENTITLED TO EITHER A COMPARA-
33 BLE CAR OR A REFUND OF YOUR PURCHASE PRICE[~~7~~] OR, IF A LEASE, YOUR
34 AGGREGATE DEPOSIT AND ANY TRADE-IN ALLOWANCE, PLUS MOST OF YOUR LEASE
35 PAYMENTS, PLUS SALES TAXES, LICENSE AND REGISTRATION FEES[~~7~~] AND INCI-
36 DENTAL DAMAGES INCLUDING REASONABLE REPAIR, TOWING, AND RENTAL CAR
37 COSTS, MINUS A MILEAGE ALLOWANCE ONLY IF THE VEHICLE HAS BEEN DRIVEN
38 MORE THAN [~~12,000~~] 24,000 MILES. SPECIAL NOTIFICATION REQUIREMENTS MAY
39 APPLY TO MOTOR HOMES.

40 (5) A MANUFACTURER MAY DENY LIABILITY IF THE PROBLEM IS CAUSED BY
41 ABUSE, NEGLIGENCE, OR UNAUTHORIZED MODIFICATIONS OF THE CAR.

42 (6) A MANUFACTURER MAY REFUSE TO EXCHANGE A COMPARABLE CAR OR REFUND
43 YOUR PURCHASE PRICE OR, IF A LEASE, YOUR AGGREGATE DEPOSIT AND ANY
44 TRADE-IN ALLOWANCE, PLUS MOST OF YOUR LEASE PAYMENTS IF THE PROBLEM DOES
45 NOT SUBSTANTIALLY IMPAIR THE VALUE, SAFETY, OR USE OF YOUR CAR.

46 (7) IF A MANUFACTURER HAS ESTABLISHED AN ARBITRATION PROCEDURE, THE
47 MANUFACTURER MAY REFUSE IN ITS ARBITRATION PROGRAM TO EXCHANGE A COMPA-
48 RABLE CAR OR REFUND YOUR PURCHASE PRICE OR, IF A LEASE, YOUR AGGREGATE
49 DEPOSIT AND ANY TRADE-IN ALLOWANCE, PLUS MOST OF YOUR LEASE PAYMENTS
50 UNTIL YOU FIRST RESORT TO [~~THE~~] ITS ARBITRATION PROCEDURE.

51 (8) IF THE MANUFACTURER DOES NOT HAVE AN ARBITRATION PROCEDURE, YOU
52 MAY RESORT TO ANY REMEDY BY LAW AND MAY BE ENTITLED TO YOUR ATTORNEY'S
53 FEES IF YOU PREVAIL.

54 (9) NO CONTRACT OR AGREEMENT CAN VOID ANY OF THESE RIGHTS.

55 (10) AS AN ALTERNATIVE TO THE ARBITRATION PROCEDURE MADE AVAILABLE
56 THROUGH THE MANUFACTURER, YOU MAY INSTEAD CHOOSE TO SUBMIT YOUR CLAIM TO

1 AN INDEPENDENT ARBITRATOR, APPROVED BY THE ATTORNEY GENERAL. YOU MAY
2 HAVE TO PAY A FEE FOR SUCH AN ARBITRATION. CONTACT YOUR LOCAL CONSUMER
3 OFFICE OR ATTORNEY GENERAL'S OFFICE TO FIND OUT HOW TO ARRANGE FOR INDE-
4 PENDENT ARBITRATION.

5 § 6. Paragraphs 1 and 2 of subdivision a of section 198-b of the
6 general business law, paragraph 1 as amended by chapter 530 of the laws
7 of 1990 and paragraph 2 as amended by chapter 485 of the laws of 2003,
8 are amended to read as follows:

9 1. "Consumer" means the purchaser, [~~or~~] lessee, or transferee other
10 than for purposes of resale, of a used motor vehicle primarily used for
11 personal, family, or household purposes and subject to a warranty, and
12 the spouse or child of the purchaser or the lessee if either such motor
13 vehicle or the lease of such motor vehicle is transferred to the spouse
14 or child during the duration of any warranty applicable to such motor
15 vehicle, and any other person entitled by the terms of such warranty to
16 enforce the obligations of the warranty;

17 2. "Used motor vehicle" means a motor vehicle, excluding motor homes
18 and off-road vehicles, which has been purchased, leased, [~~or~~] trans-
19 ferred, or registered either after [~~eighteen~~] thirty-six thousand miles
20 of operation or [~~two~~] three years from the date of original delivery to
21 a consumer, whichever is earlier;

22 § 7. Paragraphs 1 and 2 of subdivision b of section 198-b of the
23 general business law, paragraph 1 as amended by chapter 857 of the laws
24 of 1990 and paragraph 2 as amended by chapter 444 of the laws of 1989,
25 are amended to read as follows:

26 1. No dealer shall sell or lease a used motor vehicle to a consumer
27 without giving the consumer a written warranty which shall at minimum
28 apply for the following terms:

29 (a) If the used motor vehicle has [~~thirty-six~~] eighty thousand miles
30 or less, the warranty shall be at minimum [~~ninety days or four~~] twelve
31 months or twelve thousand miles, whichever comes first.

32 (b) If the used motor vehicle has more than [~~thirty-six~~] eighty thou-
33 sand miles, but [~~less~~] no more than [~~eighty~~] one hundred thousand miles,
34 the warranty shall be at minimum [~~sixty days or three~~] six months or six
35 thousand miles, whichever comes first.

36 (c) If the used motor vehicle has [~~eighty~~] more than one hundred thou-
37 sand miles [~~or more~~] but no more than [~~one~~] two hundred thousand miles,
38 the warranty shall be at a minimum [~~thirty days or one~~] three months or
39 three thousand miles, whichever comes first.

40 2. The written warranty shall require the dealer or [~~his~~] such deal-
41 er's agent to repair or, at the election of the dealer, reimburse the
42 consumer for the reasonable cost of repairing the failure of a covered
43 part. Covered parts shall at least include the following items:

44 (a) Engine. All lubricated parts, water pump, fuel pump, manifolds,
45 engine block, cylinder head, rotary engine housings and flywheel.

46 (b) Transmission. The transmission case, internal parts, and the
47 torque converter.

48 (c) Drive axle. Front and rear drive axle housings and internal parts,
49 axle shafts, propeller shafts and universal joints.

50 (d) Brakes. Master cylinder, vacuum assist booster, wheel cylinders,
51 hydraulic lines and fittings and disc brake calipers.

52 (e) Radiator.

53 (f) Steering. The steering gear housing and all internal parts, power
54 steering pump, valve body, piston and rack.

55 (g) Alternator, generator, starter, ignition system excluding the
56 battery.

1 (h) Other relevant parts, including but not limited to, modern crit-
2 ical systems, computers, or modules such as navigation systems, lane
3 changing software, driver assistance or automation software.

4 § 8. Paragraph 3 of subdivision d of section 198-b of the general
5 business law, as amended by chapter 692 of the laws of 1994, is amended
6 to read as follows:

7 3. Notwithstanding paragraph one of this subdivision, this article
8 shall not apply to used motor vehicles sold for, or in the case of a
9 lease where the value of the used motor vehicle as agreed to by the
10 consumer and the dealer which vehicle is the subject of the contract is,
11 less than one thousand five hundred dollars, or to used motor vehicles
12 with over [~~one~~] two hundred thousand miles at the time of sale or lease
13 if said mileage is indicated in writing at the time of sale or lease.
14 Further, this article shall not apply to the sale or lease of historical
15 motor vehicles as defined in section four hundred one of the vehicle and
16 traffic law.

17 § 9. Paragraphs 1 and 2 of subdivision c and paragraphs 1 and 3 of
18 subdivision f of section 198-b of the general business law, paragraphs 1
19 and 2 of subdivision c as amended by chapter 444 of the laws of 1989,
20 paragraph 1 of subdivision f as separately amended by chapters 609 and
21 444 of the laws of 1989, subparagraphs 2 and 3 of paragraph 1 of subdivi-
22 sion f as added by chapter 469 of the laws of 1994 and paragraph 3 of
23 subdivision f as amended by chapter 323 of the laws of 1997, are
24 amended to read as follows:

25 1. If the dealer or [~~his~~] the dealer's agent fails to correct a
26 malfunction or defect as required by the warranty specified in this
27 section which substantially impairs the value, safety, or use of the
28 used motor vehicle to the consumer after a reasonable period of time,
29 the dealer shall accept return of the used motor vehicle from the
30 consumer and refund to the consumer the full purchase price, or in the
31 case of a lease contract all payments made under the contract, including
32 sales or compensating use tax, less a reasonable allowance for any
33 damage not attributable to normal wear or usage, and adjustment for any
34 modifications which either increase or decrease the market value of the
35 vehicle or of the lease contract, and in the case of a lease contract,
36 shall cancel all further payments due from the consumer under the lease
37 contract. In determining the purchase price to be refunded or in deter-
38 mining all payments made under a lease contract to be refunded, the
39 purchase price, or all payments made under a lease contract, shall be
40 deemed equal to the sum of the actual cash difference paid for the used
41 motor vehicle, or for the lease contract, plus, if the dealer elects to
42 not return any vehicles traded-in by the consumer, the wholesale value
43 of any such traded-in vehicles as listed in the National Auto Dealers
44 Association Used Car Guide, or such other guide as may be specified in
45 regulations promulgated by the commissioner of motor vehicles, as
46 adjusted for mileage, improvements, and any major physical or mechanical
47 defects in the traded-in vehicle at the time of trade-in. The dealer
48 selling or leasing the used motor vehicle shall deliver to the consumer
49 a written notice including conspicuous language indicating that if the
50 consumer should be entitled to a refund pursuant to this section, the
51 value of any vehicle traded-in by the consumer, if the dealer elects to
52 not return it to the consumer, for purposes of determining the amount of
53 such refund will be determined by reference to the National Auto Dealers
54 Association Used Car Guide wholesale value, Kelley Blue Book Wholesale
55 Value or the trade-in allowance listed on the lease agreement or such
56 other guide as may be approved by the commissioner of motor vehicles, as

1 adjusted for mileage, improvements, and any major physical or mechanical
2 defects, rather than the value listed in the sales contract. Refunds
3 shall be made to the consumer and lienholder, if any, as their interests
4 may appear on the records of ownership kept by the department of motor
5 vehicles. If the amount to be refunded to the lienholder will be insuf-
6 ficient to discharge the lien, the dealer shall notify the consumer in
7 writing by registered or certified mail that the consumer has thirty
8 days to pay the lienholder the amount which, together with the amount to
9 be refunded by the dealer, will be sufficient to discharge the lien. The
10 notice to the consumer shall contain conspicuous language warning the
11 consumer that failure to pay such funds to the lienholder within thirty
12 days will terminate the dealer's obligation to provide a refund. If the
13 consumer fails to make such payment within thirty days, the dealer shall
14 have no further responsibility to provide a refund under this section.
15 Alternatively, the dealer may elect to offer to replace the used motor
16 vehicle with a comparably priced vehicle, with such adjustment in price
17 as the parties may agree to. The consumer shall not be obligated to
18 accept a replacement vehicle, but may instead elect to receive the
19 refund provided under this section. It shall be an affirmative defense
20 to any claim under this section that:

21 (a) The malfunction or defect does not substantially impair such
22 value, safety or use; or

23 (b) The malfunction or defect is the result of abuse, neglect or
24 unreasonable modifications or alterations of the used motor vehicle.

25 2. It shall be presumed that a dealer has had a reasonable opportunity
26 to correct a malfunction or defect in a used motor vehicle, if:

27 (a) The same malfunction or defect has been subject to repair three or
28 more times by the selling or leasing dealer or ~~his~~ their agent within
29 the warranty period, but such malfunction or defect continues to exist;
30 ~~or~~

31 (b) The vehicle is out of service by reason of repair or malfunction
32 or defect for a cumulative total of fifteen or more days during the
33 warranty period. Said period shall not include days when the dealer is
34 unable to complete the repair because of the unavailability of necessary
35 repair parts. The dealer shall be required to exercise due diligence in
36 attempting to obtain necessary repair parts. Provided, however, that if
37 a vehicle has been out of service for a cumulative total of forty-five
38 days, even if a portion of that time is attributable to the unavailabil-
39 ity of replacement parts, the consumer shall be entitled to the replace-
40 ment or refund remedies provided in this section; or

41 (c) The malfunction or defect may cause death or serious bodily injury
42 or creates a risk of fire or explosion if the vehicle is driven, and
43 such malfunction or defect has been subject to repair more than one time
44 by the selling or leasing dealer or their agent within the warranty
45 period, but such malfunction or defect continues to exist.

46 1. If a dealer has established or participates in an informal dispute
47 settlement procedure which complies in all respects with the provisions
48 of part seven hundred three of title sixteen of the code of federal
49 regulations the provisions of this article concerning refunds or
50 replacement shall not apply to any consumer who has not first resorted
51 to such procedure. Dealers utilizing informal dispute settlement proce-
52 dures pursuant to this subdivision shall ~~insure~~ ensure that arbitra-
53 tors participating in such informal dispute settlement procedures are
54 familiar with the provisions of this section and shall provide to arbi-
55 trators and consumers who seek arbitration a copy of the provisions of

1 this section together with the following notice in conspicuous ten point
2 bold face type:

3 USED CAR LEMON LAW BILL OF RIGHTS

4 1. If you purchase a used car for more than one thousand five hundred
5 dollars, or lease a used car where you and the dealer have agreed that
6 the car's value is more than one thousand five hundred dollars, from
7 anyone selling or leasing three or more used cars a year, you must be
8 given a written warranty.

9 2. If your used car has [~~18,000~~] 36,000 miles or less, you may be
10 protected by the new car lemon law.

11 3. (a) If your used car has more than [~~18,000~~] 36,000 miles and up to
12 and including [~~36,000~~] 80,000 miles, a warranty must be provided for at
13 least [~~90 days or 4,000~~] 12 months or 12,000 miles, whichever comes
14 first.

15 (b) If your used car has more than [~~36,000~~] 80,000 miles but less than
16 [~~80,000~~] 100,000 miles, a warranty must be provided for at least [~~60~~
17 ~~days or 3,000~~] 6 months or 6,000 miles, whichever comes first.

18 (c) If your used car has [~~80,000~~] 100,000 miles or more but no more
19 than [~~100,000~~] 200,000 miles, a warranty must be provided for at least
20 [~~30 days or 1,000~~] 3 months or 3,000 miles, whichever comes first. Cars
21 with over [~~100,000~~] 200,000 miles are not covered.

22 4. If your engine, transmission, drive axle, brakes, radiator, steer-
23 ing, alternator, generator, starter, [~~ex~~] ignition system (excluding the
24 battery), or other relevant parts or electronic systems are defective,
25 the dealer or [~~his~~] their agent must repair or, if [~~he~~] such dealer so
26 chooses, reimburse you for the reasonable cost of repair.

27 5. If the same problem cannot be repaired after three or more
28 attempts, or if the same problem cannot be repaired after one or more
29 attempts and poses a risk of death or serious bodily injury, you are
30 entitled to return the car and receive a refund of your purchase price
31 or of all payments made under your lease contract, and of sales tax and
32 fees, minus a reasonable allowance for any damage not attributable to
33 normal usage or wear, and, in the case of a lease contract, a cancella-
34 tion of all further payments you are otherwise required to make under
35 the lease contract.

36 6. If your car is out of service to repair a problem for a total of
37 fifteen days or more during the warranty period you are entitled to
38 return the car and receive a refund of your purchase price or of all
39 payments made under your lease contract, including the wholesale value
40 of any trade-in, and of sales tax and fees, minus a reasonable allowance
41 for any damage not attributable to normal usage or wear, and, in the
42 case of a lease contract, a cancellation of all further payments you are
43 otherwise required to make under the lease contract.

44 7. A dealer may put into the written warranty certain provisions which
45 will prohibit your recovery under certain conditions; however, the deal-
46 er may not cause you to waive any rights under this law.

47 8. A dealer may refuse to refund your purchase price, or the payments
48 made under your lease contract, if the problem does not substantially
49 impair the value, safety, or use of your car, or if the problem is
50 caused by abuse, neglect, or unreasonable modification.

51 9. If a dealer has established an arbitration procedure, the dealer
52 may refuse to refund your purchase price or lease payments in its arbi-
53 tration procedure until you first resort to the procedure. If the dealer
54 does not have an arbitration procedure, you may resort to any remedy
55 provided by law and may be entitled to your attorney's fees if you
56 prevail.

1 10. As an alternative to the arbitration procedure made available
2 through the dealer you may instead choose to submit your claim to an
3 independent arbitrator, approved by the attorney general. You may have
4 to pay a fee for such an arbitration. Contact your local consumer office
5 or attorney general's office to find out how to arrange for independent
6 arbitration.

7 11. If any dealer refuses to honor your rights or you are not satis-
8 fied by the informal dispute settlement procedure, complain to the New
9 York State Attorney General, Executive Office, Capitol, Albany, N.Y.
10 12224.

11 3. Upon the payment of a prescribed filing fee, a consumer shall have
12 the option of submitting any dispute arising under this section to an
13 alternate arbitration mechanism established pursuant to regulations
14 promulgated hereunder by the attorney general. Upon application of the
15 consumer and payment of the filing fee, the dealer shall submit to such
16 alternate arbitration.

17 Such alternate arbitration shall be conducted by a professional arbi-
18 trator or arbitration firm appointed by and under regulations estab-
19 lished by the attorney general. Such mechanism shall ensure the personal
20 objectivity of its arbitrators and the right of each party to present
21 its case, to be in attendance during any presentation made by the other
22 party and to rebut or refute such presentation. In all other respects,
23 such alternate arbitration mechanism shall be governed by article seven-
24 ty-five of the civil practice law and rules.

25 The notice required by paragraph one of this subdivision, entitled
26 Used Car Lemon Law Bill of Rights, shall be provided to arbitrators and
27 consumers who seek arbitration under this subdivision.

28 A dealer shall have thirty days from the date of mailing of a copy of
29 the arbitrator's decision to such dealer to comply with the terms of
30 such decision. Failure to comply within the thirty day period shall
31 entitle the consumer to recover, in addition to any other recovery to
32 which [~~he~~] such consumer may be entitled, a fee of [~~twenty-five~~] two
33 hundred fifty dollars for each business day beyond thirty days up to
34 [~~five-hundred~~] five thousand dollars; provided however, that nothing in
35 this subdivision shall impose any liability on a dealer where a delay
36 beyond the thirty day period is attributable to a consumer who has
37 requested a particular replacement vehicle or otherwise made compliance
38 impossible within said period.

39 The commissioner of motor vehicles or any person deputized by [~~him~~]
40 such commissioner may deny the application of any person for registra-
41 tion under section four hundred fifteen of the vehicle and traffic law
42 and suspend or revoke a registration under such section or refuse to
43 issue a renewal thereof if [~~he~~] such commissioner or such deputy deter-
44 mines that such applicant or registrant or any officer, director, stock-
45 holder, or partner, or any other person directly or indirectly inter-
46 ested in the business has deliberately failed to pay an arbitration
47 award, which has not been stayed or appealed, rendered in an arbitration
48 proceeding pursuant to this paragraph for sixty days after the date of
49 mailing of a copy of the award to the registrant. Any action taken by
50 the commissioner of motor vehicles pursuant to this paragraph shall be
51 governed by the procedures set forth in subdivision nine of section four
52 hundred fifteen of the vehicle and traffic law.

53 § 10. This act shall take effect 1 year after it shall have become a
54 law.