

PLEASE READ

Rules and regulations of the Division of Consumer Affairs, the boards and committees in, and other units of, the Division are codified in Title 13 of the New Jersey Administrative Code, published by LexisNexis. Notices of proposal and notices of adoption are printed in the New Jersey Register, also published by LexisNexis.

The official text of the rules and regulations and their regulatory history and notices of rule proposals and adoptions can be found through the free LexisNexis Public Access Portal.

- **LexisNexis Public Access Portal:** www.lexisnexis.com/njoal

The text of rules and regulations and notices of proposal and adoptions in PDF format provided on this website by the Division of Consumer Affairs are unofficial courtesy copies, which may differ from the official text. Though every effort is made to ensure that the text of courtesy copies is identical to the official version, if any discrepancies exist between the text on this website and the official version, the official version will govern.

NEW JERSEY ADMINISTRATIVE CODE
TITLE 13
LAW AND PUBLIC SAFETY
CHAPTER 45A
SUBCHAPTER 26 LEMON LAW

TABLE OF CONTENTS

SUBCHAPTER 26. AUTOMOTIVE DISPUTE RESOLUTION 3

13:45A-26.1 Purpose and scope 3

13:45A-26.2 Definitions 3

13:45A-26.3 Statements to consumer; other notices 5

13:45A-26.4 Lemon Law Unit..... 9

13:45A-26.5 Preliminary steps to initiate a Lemon Law action within the Division of Consumer Affairs
Lemon Law Unit 10

13:45A-26.6 Eligibility 11

13:45A-26.7 Application 11

13:45A-26.8 Filing fee 13

13:45A-26.9 Processing of applications 13

13:45A-26.10 Notification and scheduling of hearings..... 14

13:45A-26.11 Computation of refund 15

13:45A-26.12 Final decision 16

13:45A-26.13 Appeals 16

13:45A-26.14 Manufacturer’s reporting requirements..... 17

13:45A-26.15 Index of disputes 18

SUBCHAPTER 26. AUTOMOTIVE DISPUTE RESOLUTION

13:45A-26.1 PURPOSE AND SCOPE

- a) The purpose of this subchapter is to implement the Lemon Law, P.L. 1988, c. 123, by establishing an automotive dispute resolution system within the Division of Consumer Affairs in conjunction with the Office of Administrative Law. The subchapter also sets forth the method of refund computation, and details the reporting requirements and procedure for publication of compliance records of manufacturers of motor vehicles.
- b) This subchapter is applicable to:
- 1) All manufacturers of passenger automobiles, authorized emergency vehicles and motorcycles registered, sold or leased in the State of New Jersey;
 - 2) All purchasers and lessees of passenger cars, authorized emergency vehicles and motorcycles registered, sold or leased in the State of New Jersey; and
 - 3) Dealers servicing such vehicles whether their service facilities are located within or outside of the State.

13:45A-26.2 DEFINITIONS

As used in this subchapter, the following words shall have the following meanings:

“Co-manufacturer” means, solely with respect to an authorized emergency vehicle as defined in N.J.S.A. 39:1-1, any person that fabricates the authorized emergency vehicle utilizing a component or components of a new motor vehicle made by a manufacturer, other than modifying an existing standard model of a vehicle manufactured by a manufacturer, which component or components are obtained by the co-manufacturer from the manufacturer to fabricate the vehicle for use as an authorized emergency vehicle prior to an initial retail sale or lease of the emergency vehicle.

“Days” means calendar days.

“Dealer” means the person or entity that purchases a motor vehicle from a manufacturer for sale to consumers and in the case of an authorized emergency vehicle, includes the distributor.

“Director” means the Director of the Division of Consumer Affairs.

“Dispute Resolution System” means a procedure established by the Division of Consumer Affairs and the Office of Administrative Law for the resolution of disputes regarding motor vehicle nonconformity(s) through summary administrative hearings.

“Distributor” means a wholesaler or other supplier that sells emergency vehicles to fire and police departments, first aid or rescue squads and others who operate emergency vehicles in response to an emergency call.

“Examination” means an examination of the motor vehicle by a service technician performed by or on the behalf of a manufacturer or its dealer.

“Lemon Law” means P.L. 1988, c.123, an Act concerning new motor warranties and repealing P.L. 1983, c.215, as amended by P.L. 1993, c.21.

“Lemon Law Unit” (“LLU”) means the administrative unit within the Division of Consumer Affairs that processes Lemon Law matters.

“Manufacturer” means a person engaged in the business of manufacturing, assembling or distributing motor vehicles who will, under normal business conditions during the year, manufacture, assemble or distribute to dealers at least 10 new motor vehicles and, in the case of an authorized emergency vehicle, unless the context indicates otherwise, includes a co-manufacturer or post-manufacturing modifier, if known.

“Motor vehicle” means a passenger automobile, authorized emergency vehicle or motorcycle as defined in N.J.S.A. 39:1-1, that is registered, sold or leased in the State of New Jersey, whether purchased, leased or repaired in the State or outside the State, except the living facilities of motor homes.

“Nonconformity” means a defect or condition which substantially impairs the use, value or safety of a motor vehicle.

“OAL” means the Office of Administrative Law.

“Out of service” means the number of days the defective motor vehicle is on the premises of a repair facility for the purpose of repairing one or more nonconformities; delays caused by the consumer, such as a delay in picking up the motor vehicle from the facility after notification that it is ready, shall not be counted as days out of service.

“Post-manufacturing modifier” means, solely with respect to an authorized emergency vehicle as defined in N.J.S.A. 39:1-1, any person who modifies the configuration of an existing standard model of a motor vehicle purchased from a manufacturer to adapt the vehicle for use as an authorized emergency vehicle prior to an initial retail sale or lease of the vehicle.

“Term of protection” means within the first 24,000 miles of operation or the two years following the original date of delivery of the motor vehicle to the consumer, whichever is the earlier date.

“Title” means the certificate of ownership of a motor vehicle.

13:45A-26.3 STATEMENTS TO CONSUMER; OTHER NOTICES

- a) At the time of purchase or lease of a motor vehicle in the State of New Jersey, the manufacturer, through its dealer or lessor, shall provide the following written statement in English and Spanish directly to the consumer on a separate piece of paper, in at least 10-point bold-face type:

IMPORTANT: IF THIS VEHICLE HAS A DEFECT THAT SUBSTANTIALLY IMPAIRS ITS USE, VALUE OR SAFETY OR THAT IS LIKELY TO CAUSE DEATH OR SERIOUS BODILY INJURY IF DRIVEN, AND WAS PURCHASED, LEASED OR REGISTERED IN NEW JERSEY, YOU MAY BE ENTITLED UNDER NEW JERSEY’S LEMON LAW TO A REFUND OF THE PURCHASE PRICE OR YOUR LEASE PAYMENTS.

Here is a summary of your rights:

1. To qualify for relief under the New Jersey Lemon Law, you must give the manufacturer or its dealer the opportunity to repair or correct the defect in the vehicle within the Lemon Law’s term of protection, which is the first 24,000 miles of operation or two years after the vehicle’s original date of delivery, whichever is earlier.

2. If the manufacturer or its dealer is unable to repair or correct a defect within a reasonable time, you may be entitled to return the vehicle and receive a full refund, minus a reasonable allowance for vehicle use.
3. It is presumed that the manufacturer or its dealer is unable to repair or correct the defect if substantially the same defect continues to exist after the manufacturer has received written notice of the defect by certified mail, return receipt requested, and has had a final opportunity to correct the defect or condition within 10 calendar days after receipt of the notice. This notice must be received by the manufacturer within the term of protection and may be given only after (i) the manufacturer or its dealer has had two or more attempts to correct the defect; (ii) the manufacturer or its dealer has had at least one attempt to correct the defect if the defect is one that is likely to cause death or serious bodily injury if the vehicle is driven; or (iii) the vehicle has been out of service for repair for a cumulative total of 20 or more calendar days, or in the case of a motor home, 45 or more days.
4. If substantially the same defect continues to exist after the manufacturer has had the final opportunity to repair or correct the defect, you may file an application for relief under New Jersey's Lemon Law.

FOR COMPLETE INFORMATION REGARDING YOUR RIGHTS AND REMEDIES UNDER THE RELEVANT LAW, INCLUDING THE MANUFACTURER'S ADDRESS TO GIVE NOTICE OF THE DEFECT, CONTACT THE NEW JERSEY DEPARTMENT OF LAW AND PUBLIC SAFETY, DIVISION OF CONSUMER AFFAIRS, LEMON LAW UNIT, AT POST OFFICE BOX 45026, NEWARK, NEW JERSEY 07101, TEL. NO. (973) 504-6226.

IMPORTANTE: SI ESTE VEHÍCULO TIENE UN DEFECTO QUE SUBSTANCIALMENTE AFECTA SU USO, VALOR O SEGURIDAD, O QUE PUEDE CAUSAR MUERTE O SERIO DAÑO CORPORAL SI SE MANEJA, Y FUE COMPRADO, ARRENDADO O REGISTRADO EN NUEVA JERSEY, USTED PUEDE TENER EL DERECHO BAJO LA LEY DE LIMÓN DEL ESTADO DE NUEVA JERSEY A UN REEMBOLSO DEL PRECIO DE COMPRA O A LOS PAGOS DE SU ARRENDAMIENTO:

Aquí le damos un resumen de sus derechos:

1. Para calificar por compensación bajo la Ley de Limón de Nueva Jersey, usted debe darle al fabricante o a su concesionario la oportunidad de reparar o corregir el defecto del vehículo dentro del término de protección bajo la Ley de Limón, que son las 24,000 millas primeras de operación o dos años después de la fecha original de la entrega del vehículo o lo que suceda primero.

2. Si el fabricante o su concesionario no puede arreglar o corregir el defecto dentro de un tiempo razonable, usted puede tener el derecho de devolver el vehículo y recibir un reembolso completo, menos un descuento por el uso del vehículo.
3. Si se supone que el fabricante o su concesionario no puede reparar o corregir el defecto y si substancialmente el mismo defecto continúa existiendo después que el fabricante ha recibido un aviso del defecto, mandado por correo certificado con recibo de retomo, y ha tenido una oportunidad final para corregir el defecto o condición dentro de los 10 días naturales después de recibir el aviso. Este aviso tiene que ser recibido por el fabricante dentro del término de protección y solo se puede dar después que (i) el fabricante o su concesionario ha intentado dos o más veces de corregir el defecto; (ii) el fabricante o su concesionario ha intentado por lo menos una vez de corregir el defecto si el defecto es uno que puede causar la muerte o serio daño corporal si el vehículo se maneja; o (iii) el vehículo ha estado fuera de servicio por reparos por una acumulación total de 20 días naturales o más, o en el caso de una casa rodante motorizada (motorhome) de 45 días o más.
4. Si substancialmente el mismo defecto continúa existiendo después que el fabricante ha tenido la última oportunidad de reparar o corregir el defecto, usted puede presentar una solicitud para compensación bajo la Ley de Limón de Nueva Jersey.

PARA INFORMACIÓN COMPLETA ACERCA DE SUS DERECHOS Y RECURSOS BAJO ESTA LEY, INCLUYENDO LA DIRECCIÓN DEL FABRICANTE PARA NOTIFICARLE EL DEFECTO, PONGASE EN CONTACTO CON: NEW JERSEY DEPARTMENT OF LAW AND PUBLIC SAFETY, DIVISION OF CONSUMER AFFAIRS, LEMON LAW UNIT, POST OFFICE BOX 45026, NEWARK, NEW JERSEY 07101, NÚMERO DE TELÉFONO: 973-504-6226

- b) The manufacturer, through its dealer or lessor, shall maintain a record substantiating compliance with (a) above and shall make the record available to the Division upon request.
- c) If a motor vehicle is returned to the manufacturer under the provisions of the Lemon Law or a similar statute of another state or as the result of a legal action or an informal dispute settlement procedure, the motor vehicle shall not be resold or released in New Jersey unless the following steps are taken:
 - 1) Immediately upon receipt of the vehicle, the manufacturer, its agent, or a dealer who accepts the vehicle shall cause the words "R—RETURNED TO MANUFACTURER UNDER LEMON LAW OR OTHER PROCEEDING" to be clearly and conspicuously stamped on the face of the original certificate of title, the manufacturer's statement of origin, or other evidence of ownership.

- 2) Within 10 days of receipt of the vehicle, the manufacturer, its agent, or a dealer who accepts the vehicle shall submit a copy of the stamped document to the Special Title Section of the Motor Vehicle Commission (MVC) to indicate that title to the vehicle shall be permanently branded.
- 3) The manufacturer shall provide to the dealer or lessor, and the dealer or lessor shall provide to the consumer prior to the resale or release of the motor vehicle a copy for the consumer's records of the following statement on a separate piece of paper, in 10-point boldface type:

NOTICE OF NONCONFORMITY

“IMPORTANT: THIS VEHICLE WAS RETURNED TO THE MANUFACTURER BECAUSE IT DID NOT CONFORM TO THE MANUFACTURER’S WARRANTY AND THE NONCONFORMITY WAS NOT CORRECTED WITHIN A REASONABLE TIME AS PROVIDED BY LAW.”

(This notice is required under the New Jersey “Lemon Law”, N.J.S.A. 56:12-29, for vehicles that have been replaced or repurchased by the manufacturer as the result of any one of the following: a court judgment, or a final decision pursuant to a hearing or settlement by the Office of Administrative Law, or an arbitration proceeding between the manufacturer or its agent and a consumer.)

- 4) Upon delivery to the consumer of the statement in (b)3 above the dealer or lessor shall obtain from the consumer a signed receipt, on a separate sheet of paper, which shall state the following, in underlined 10-point boldface type:

“I ACKNOWLEDGE RECEIPT OF NOTICE OF NONCONFORMITY OF THIS VEHICLE, VIN NO. _____ AS REQUIRED BY N.J.S.A 56:12-35 (THE ‘LEMON LAW’).”

Alternatively, the deal or lessor may fulfill this requirement by making the following notation in underlined boldface type on the front page of the vehicle buyer order form or the lease form:

“NOTICE OF NONCONFORMITY OF THIS VECHICLE, VIN NO. _____, HAS BEEN PROVIDED TO THE PURCHASER OR LESSEE AS REQUIRED BY N.J.S.A. 56:12-35 (THE ‘LEMON LAW’).”

- 5) The manufacturer, dealer or lessor shall notify the Special Title Section of the MVC of the resale or release of the vehicle by requesting transfer of the branded title to the new owner or lessor, in writing.
- d) Each time a consumer's motor vehicle is returned from being examined or repaired during the term of protection, the manufacturer through its dealer shall provide to the consumer an itemized, legible statement of repair which indicates any diagnosis made and all work performed on the vehicle; the statement of repair shall provide at least the following information:
 - 1) A description or identification of the problem reported by the consumer or an identification of the defect or condition;
 - 2) A specific description of the repair work performed.
 - 3) The amount charged for parts and the amount charged for labor, if paid by the consumer;
 - 4) The date and the odometer reading when the vehicle was submitted for repair; and
 - 5) The date and the odometer reading when the vehicle was made available to the consumer.
- e) Failure to comply with the provisions of this section shall be a violation of the Consumer Fraud Act, N.J.S.A. 56:8-1 et seq.

13:45A-26.4 LEMON LAW UNIT

- a) There is established within the Division of Consumer Affairs a section processing Lemon Law matters, to be known as the Lemon Law Unit (LLU).
- b) The Lemon Law Unit shall upon request provide consumers with a brochure setting forth:
 - 1) Information regarding a consumer's rights and remedies under the relevant law; and
 - 2) The procedure to be followed in order to participate in the various dispute resolution systems.
- c) All correspondence by consumers or manufacturers to the Division of Consumer Affairs regarding Lemon Law matters shall be directed to the attention of the Lemon Law Unit, as follows:

Division of Consumer Affairs
Lemon Law Unit
Post Office Box 45026
Newark, New Jersey 07101
Telephone (973) 504-6226

13:45A-26.5 PRELIMINARY STEPS TO INITIATE A LEMON LAW ACTION WITHIN THE DIVISION OF CONSUMER AFFAIRS LEMON LAW UNIT

- a) To initiate a claim within the Division of Consumer Affairs Lemon Law Unit under the Lemon Law:
- 1) Written notification of the potential claim shall be sent certified mail, return receipt requested, by or on behalf of a consumer, to the manufacturer of a nonconforming motor vehicle if and only after one of the following occurs during the first 24,000 miles of operation or within 24 months after the date of original delivery, whichever is earlier:
 - i) Except as set forth in (a)1iii below, substantially the same nonconformity has been subject to examination or repair two or more times by the manufacturer or its dealer and the nonconformity continues to exist;
 - ii) The motor vehicle has been out of service by reason of repair for one or more nonconformities for a minimum of 20 days, or in the case of a motor home, for a minimum of 45 days, since the original delivery of the motor vehicle, and a nonconformity continues to exist; or
 - iii) In the case of nonconformity that is likely to cause death or serious bodily injury if the vehicle is driven, the nonconformity has been subject to examination or repair at least once by the manufacturer or its dealer and the nonconformity continues to exist; and
 - 2) The manufacturer has one more opportunity to examine, repair or correct the nonconformity within 10 days following receipt of the written notification from the consumer of a potential claim provided for in (a)1 above. If the nonconformity continues to exist after expiration of the 10-day time period and the manufacturer refuses to replace or refund the price of the vehicle, the consumer may pursue a Lemon Law claim with the Lemon Law Unit.
- b) Nothing contained in this section shall preclude a consumer from alternatively filing an action in Superior Court.
- c) When a motor home or authorized emergency vehicle has been constructed by more than one manufacturer, an examination or repair attempt will not count towards the examination

or repair attempts referred to in (a)1 above, if the repair facility is not authorized to provide services by the manufacturer, co-manufacturer or post-manufacturing modifier who constructed the nonconforming portion of the vehicle.

- d) If a nonconformity in a motor home is addressed more than once due to a consumer's decision to continue travelling and to seek examination or repair of the same nonconformity at another authorized repair facility rather than waiting for the examination or repair to be completed at the initial repair facility, it shall constitute one examination or repair for the purpose of the examination or repair attempts referred to in (a)1 above.

13:45A-26.6 ELIGIBILITY

- a) To be eligible for the Dispute Resolution System, a consumer must provide the following items to the LLU:
- 1) A photocopy of the consumer's notification to the manufacturer of a potential claim; and
 - 2) A completed Application for Dispute Resolution; the form will be supplied upon request by the LLU.
- b) During any periods when forms are not available, any written request for dispute resolution shall be accepted by the LLU provided all information, items and statements listed in N.J.A.C. 13:45A-26.7 are included.
- c) A consumer is eligible for dispute resolution by the Division as to a specific motor vehicle only once; no further applications from that consumer relating to the same motor vehicle will be accepted if a final decision has been rendered pursuant to N.J.A.C. 13:45A-26.12(b).

13:45A-26.7 APPLICATION

- a) Application for dispute resolution shall require submission of the following:
- 1) Information as follows:
 - i) The name and address of the consumer and lienholder, if any;
 - ii) The date of original delivery of the motor vehicle to the consumer;
 - iii) The mileage on the date the nonconformity was first reported to the manufacturer or its dealer; and

- iv) The mileage on the date the application is mailed back, to LLU.
 - 2) A written account of the events resulting in the dispute, including description of the claimed nonconformity) and a chronology of the repair attempts.
 - 3) A photocopy of the notification of a potential claim sent by or on behalf of the consumer to the manufacturer after two or more attempts to repair or 20 calendar days out of service, and a photocopy of the return receipt signed by the manufacturer's agent.
 - 4) Photocopies of the statements of repair required by section 6(b) of the Lemon Law, to be given to the consumer by the manufacturer through its dealer, each time a motor vehicle is returned from being examined or repaired.
 - 5) Photocopies of the agreement of sale or lease, including any stated credit or allowance for the consumer's used motor vehicle, the receipt for payment of any options or other modifications arranged, installed or made by the manufacturer or its dealer within 30 days after the date of original delivery, receipts for any other charges or fees including but not limited to:
 - i) Sales tax;
 - ii) License and registration fees;
 - iii) Finance charges;
 - iv) Towing;
 - v) Rental of a motor vehicle equivalent to the consumer's motor vehicle for the period when the consumer's motor vehicle was out of service due to a nonconformity; and
 - vi) Any other documents related to the dispute.
- b) The application must contain a statement as to the following:
- 1) That the consumer believes the motor vehicle's use, market value, or safety is substantially impaired by the nonconformity(s) complained of or that the nonconformity is a defect, which is likely to cause death or serious bodily injury if the vehicle is driven;

- 2) That the nonconformity(s) complained of is not the result of abuse, neglect, or unauthorized modifications of the motor vehicle by anyone other than the manufacturer or its dealer;
- 3) That within the term of protection the manufacturer, its agent or authorized dealer failed in at least two attempts, or in the case of a defect that is likely to cause death or serious bodily injury if the vehicle is driven, one attempt, to correct the same substantial defect, or the vehicle was out of service by reason of repair for at least 20 days;
- 4) That within the term of protection the consumer gave the manufacturer written notification by certified mail, return receipt requested, of a potential claim pursuant to the Lemon Law, section 5(b); and
- 5) That within the term of protection:
 - i) The consumer gave the manufacturer or its dealer at least three attempts, or in the case of a defect that is likely to cause death or serious bodily injury if the vehicle is driven, two attempts (including the post-notification attempt) to repair substantially the same nonconformity and the nonconformity continues to exist; or
 - ii) The vehicle was out of service by reason of repair for one or more nonconformities for a cumulative total of 20 or more days since the original delivery of the motor vehicle, the manufacturer has been given the post-notification opportunity to repair, and a nonconformity continues to exist.

13:45A-26.8 FILING FEE

- a) A consumer whose application for dispute resolution is accepted by the Division shall pay a filing fee of \$50.00 by certified check or money order payable to the "New Jersey Division of Consumer Affairs". The filing fee shall be nonrefundable but is recoverable as a cost if the consumer prevails.
- b) The filing fee shall be requested by the LLU when it has determined that the consumer's application is complete and that it complies with this subchapter and the Lemon Law.

13:45A-26.9 PROCESSING OF APPLICATIONS

- a) Submitted applications shall be reviewed by the LLU for completeness and compliance with the Lemon Law and this subchapter.
 - 1) Incomplete applications shall be promptly returned for completion to the consumer.

- 2) Applications not in compliance with this subchapter and the Lemon Law (including but not limited to the required number of repair attempts or the number of days out of service) will be rejected. The reason for the rejection will be sent to the consumer. No judgment will be made by the LLU as to whether the claimed defect(s) are substantiated by the evidence or whether they substantially impair the use, market value or safety of a motor vehicle.
- b) Upon receipt of the filing fee of \$50.00, the application shall be date-stamped to indicate its acceptance for dispute resolution.

13:45A-26.10 NOTIFICATION AND SCHEDULING OF HEARINGS

- a) Each manufacturer of motor vehicles sold or leased in New Jersey shall forward to the Division of Consumer Affairs, Lemon Law Unit (LLU), the name, address, and telephone number of the person designated by the manufacturer to receive notices under the Lemon Law dispute resolution process. The manufacturer shall update this information, as necessary.
- b) On the day that an application is accepted for resolution by the LLU, a notice shall be sent by hand delivery or certified mail, return receipt requested by the LLU to the consumer and manufacturer's designee. This notice shall indicate that the consumer's request for resolution has been accepted, and shall provide general information about the resolution process.
- c) The LLU shall immediately thereafter refer an accepted application for dispute resolution to the OAL and arrange a hearing date acceptable to all parties. The dispute resolution shall be conducted as a contested case by the OAL in accordance with the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., the Uniform Administrative Procedure Rules, N.J.A.C. 1:1, and Special Rules, N.J.A.C. 1:13A.
- d) The date of the hearing shall be no later than 20 days from the date of the notice of acceptance unless a later date is agreed to by the consumer.
- e) Notice of the date, time, and location of the hearing shall be mailed by the OAL to both parties.
- f) A copy of the application materials shall be sent by the LLU simultaneously with the notice of acceptance of the application, to the manufacturer's designee. Within 10 days of receiving the transmittal sheet from the Office of Administrative Law indicating the judge assigned to the case, the manufacturer shall mail by certified mail, return receipt requested, to the consumer and to the Clerk of the Office of Administrative Law at the address stated on the transmittal sheet, a response to each of the statements set forth in the consumer application.

- g) Applications by the consumer or the manufacturer with consent of the consumer for adjournments or rescheduling of the hearing shall be made in accordance with N.J.A.C. 1:1-9.6.

13:45A-26.11 COMPUTATION OF REFUND

- a) The refund claimed by a consumer pursuant to section 4(a) of the Lemon Law, whether through the Division of Consumer Affairs automotive dispute resolution system or a manufacturer's informal dispute resolution process, shall include:
- 1) The total purchase or lease price of the motor vehicle including finance charges, sales tax, license fees, registration fees, and any stated credit or allowance for the consumer's used motor vehicle, provided that:
 - i) The full refund of purchase price that may be claimed by a consumer under section 4(a) shall not include any portion of a stated credit or allowance for the consumer's used motor vehicle that grossly exceeds the true value of the consumer's used motor vehicle.
 - ii) During the Office of Administrative Law hearing, a manufacturer may challenge the stated credit or allowance for the consumer's used motor vehicle. The manufacturer shall bear the burden of proof, and shall provide evidence that the purchase price included a trade-in allowance grossly disproportionate in amount to the true value of the consumer's used motor vehicle. Such evidence shall include, but not be limited to, the value of the motor vehicle as listed in the N.A.D.A. Official Used Car Guide.
 - 2) The cost of any options or other modification arranged, installed or made by the manufacturer or its dealer within 30 days after the date of original delivery.
 - 3) Other charges or fees, including, but not limited to:
 - i) Reimbursement for towing, if any;
 - ii) Reimbursement for actual expenses incurred by the consumer for the rental of a motor vehicle equivalent to the consumer's motor vehicle for the period during which the consumer's motor vehicle was out of service due to a nonconformity;
 - iii) Filing fee for participation in the Division's dispute resolution system; and
 - iv) Reimbursement for reasonable attorney's fees, fees for expert witnesses and costs.

- b) From the total sum of the items in (a) above, a deduction shall be made, representing an allowance for vehicle use. This deduction shall be calculated as follows:
 - 1) Multiply the mileage at the time the consumer first presented the motor vehicle to the dealer or manufacturer for correction of the nonconformity(s) in question by the total purchase price of the vehicle (or the total lease price, if applicable), then divide by 100,000 miles.
- c) In the case of an authorized emergency vehicle, the manufacturer, co-manufacturer or post-manufacturing modifier shall provide the consumer with a full refund of the purchase price of the original emergency vehicle, depending on the source of the nonconformity, including any stated credit or allowance for the consumer's used emergency vehicle, as well as any other charges or fees, including, but not limited to, sales tax, license and registration fees, reimbursement for towing and reimbursement for actual expenses incurred by the consumer for the rental of a substitute emergency vehicle, if applicable, for the period during which the consumer's emergency vehicle was out of service due to the nonconformity.

13:45A-26.12 FINAL DECISION

- a) The Director shall review the OAL proposed decision submitted by the administrative law judge who conducts the administrative hearing and shall adopt, reject, or modify the decision no later than 15 days after receipt.
- b) At the conclusion of the 15-day review period, the Director shall give notification of the rejected, modified or adopted decision to both parties, the lien-holder, if any, the OAL, and, if the vehicle in question is to be returned to the manufacturer, the Special Title Section of the MVC. The notification to the manufacturer and consumer shall be by hand delivery or certified mail, return receipt requested. Within 45 days of receipt of the final decision, any party may file an appeal in the Appellate Division of the Superior Court.
- c) The manufacturer shall advise the Director as to its compliance with the final decision no later than 10 days following the date stated for completion of all awarded remedies.
- d) If the manufacturer unreasonably fails to comply with the decision within the specified time period, the manufacturer shall be liable for penalties in the amount of \$5000 for each day the manufacturer unreasonably fails to comply, commencing on the day after the specified date for completion of all awarded remedies.

13:45A-26.13 APPEALS

- a) A manufacturer or a consumer may appeal a final decision to the Appellate Division of Superior Court; a notice of appeal must be filed with the Director no later than 45 days after the date of the final decision as defined in N.J.A.C. 13:45A-26.12(b).

- b) An appeal by a manufacturer shall not be heard unless the notice of appeal is accompanied by a bond which shall be:
 - 1) For a principal sum equal to the money award made by the administrative law judge, plus \$2500 for anticipated attorney's fees and other costs;
 - 2) Secured by cash or its equivalent; and
 - 3) Payable to the consumer.

13:45A-26.14 MANUFACTURER'S REPORTING REQUIREMENTS

- a) The LLU shall compile a roster of American and foreign manufacturers of passenger automobiles and motorcycles registered, sold or leased in New Jersey.
- b) Manufacturers who establish or participate in an informal dispute settlement procedure shall:
 - 1) Advise the LLU of the existence of its informal dispute settlement procedure; and
 - 2) Send the LLU an outline of the steps that a consumer must take in order to participate in the manufacturer's informal dispute resolution procedure; the information shall include all necessary addresses and phone numbers.
- c) On January 15 and July 15 of every year, the LLU shall send a questionnaire by hand delivery or certified mail, return receipt requested, to every manufacturer on the roster compiled pursuant to (a) above, requesting the following information:
 - 1) Any and all informal dispute settlement procedures utilized by the manufacturer. If the informal dispute settlement procedure is an in-house customer assistance mechanism or private arbitration or private buy-back program instituted by the manufacturer, the information provided shall include the reasons for establishing and maintaining such programs.
 - 2) The number of purchase price and lease price refunds requested, the number awarded by any dispute settlement body or other settlement procedure identified in (c)1 above, the amount of each award and the number of awards satisfied in a timely manner.
 - 3) The number of awards in which additional repairs or a warranty extension was the remedy, the amount or value of each award, and the number of awards satisfied in a timely manner;

- 4) The number and total dollar amount of awards in which some form of reimbursement for expenses or compensation for losses was the remedy, the amount or value of each award and the number of awards satisfied in a timely manner;
 - 5) The average number of days from the date of a consumer's initial request to use the manufacturer's informal dispute settlement procedure until the date of the decision and the average number of days from the date of the decision to the date on which performance of the award was satisfied; and
 - 6) A list of all motor vehicles and their Vehicle Identification Numbers stamped with "R—RETURNED TO MANUFACTURER UNDER LEMON LAW OR OTHER PROCEEDING," which have been reported to the MVC Special Title Section during the previous six months.
- d) Failure of the manufacturer to return the completed questionnaire to the LLU within 60 days of receipt shall be a violation of this subchapter and the Consumer Fraud Act, N.J.S.A. 56:8-1 et seq.

13:45A-26.15 INDEX OF DISPUTES

- a) The Division of Consumer Affairs shall maintain an index of all motor vehicle disputes by make and model and shall compile and maintain statistics indicating the record of manufacturer compliance with any settlement procedure decisions.
- b) The index and statistical record of compliance shall be made available to the public.