

Maryland Lemon Law Statute

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Sections 14-1501 14-1504 of Commercial Law Articles

§ 14-1501. Definitions

In general. -- In this subtitle the following words have the meanings indicated.

Consumer. -- "Consumer" means:

- o The purchaser, other than for purposes of resale, of a new motor vehicle;
- o Any person to whom a new motor vehicle is transferred during the duration of the warranty applicable to such motor vehicle; or
- o Any other person who is entitled to enforce the obligations of the warranty.

Dealer. -- "Dealer" has the meaning provided in § 15-101(c) of the Transportation Article.

Manufacturer, factory branch, or distributor. -- "Manufacturer, factory branch, or distributor" means a person, partnership, corporation, or entity engaged in the business of manufacturing or assembling motor vehicles or of distributing motor vehicles to motor vehicle dealers as defined in § 15-201(b), (c), and (e) of the Transportation Article.

Manufacturer's warranty period.

- o "Manufacturer's warranty period" means the earlier of:
 - f The period of the motor vehicle's first 18,000 miles of operation;
 - or

f 24 months following the date of original delivery of the motor vehicle to the consumer.

- o This subsection does not extend a manufacturer's express warranty.

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- o If a motor vehicle is returned to a manufacturer or factory branch either under this subtitle, or by judgment, decree, arbitration award, or by voluntary agreement, the manufacturer or factory branch shall notify the Motor Vehicle Administration in writing within 15 days of the fact that the vehicle was returned.

Transfer and resale.

- o If a motor vehicle that is returned to the manufacturer under either this subtitle or by judgment, decree, arbitration award, settlement agreement, or by voluntary agreement in this or any other state and is then transferred to a dealer in Maryland, the manufacturer shall disclose this information to the dealer.
 - o The manufacturer's disclosure under this paragraph shall be in writing on a separate piece of paper in 10 point all capital type and shall state in a clear and conspicuous manner:
 - f* That the motor vehicle was returned to the manufacturer or factory branch;
 - f* The nature of the defect, if any, that resulted in the return; and
 - f* The condition of the motor vehicle at the time that it is transferred to the dealer.
- o If the returned vehicle is then available for resale, the seller shall provide a copy of the manufacturer's disclosure form to the consumer prior to sale.
- o If the returned vehicle is sold, the seller shall send a copy of the manufacturer's disclosure form, signed by the consumer, to the Administration.

Other law. -- This section does not limit the rights or remedies that are otherwise available to a consumer under any other law, including any implied warranties.

Informal dispute settlement procedure.

- o If a manufacturer or factory branch has established an informal dispute settlement procedure which complies with the provisions of Title 16, Code of Federal Regulations, Part 703, as amended, a consumer may resort to that procedure before subsection (c) of this section applies.

- o A consumer who has resorted to an informal dispute settlement procedure may not be precluded from seeking the rights or remedies available by law.

Waiver; transferability.

- o Any agreement entered into by a consumer for the purchase of a new motor vehicle that waives, limits, or disclaims the rights set forth in this section shall be void.
- o The rights available to a consumer under this section shall inure to a subsequent transferee of a new motor vehicle for the duration of the applicable warranties.

Statute of limitations. -- Any action brought under this section shall be commenced within 3 years of the original delivery of the motor vehicle to the consumer.

Attorney's fees.

- o A court may award reasonable attorney's fees to a prevailing plaintiff under this section.
- o If it appears to the satisfaction of the court that an action is brought in bad faith or is of a frivolous nature, the court may order the offending party to pay to the other party reasonable attorney's fees.

Exception. -- This subtitle does not apply to a fleet purchase of five or more motor vehicles.

§ 14-1502.1. Notice

In general. -- The Motor Vehicle Administration shall:

- o Develop a notice that describes the rights provided to consumers under this subtitle;
- o

Contents and style. -- The notice shall:

- o Be written in simple and readable plain language; and
- o Contain sufficient detail to fully inform consumers about the rights and remedies available under this subtitle and the procedures to follow to enforce those rights and remedies.

Copy to be given to purchasers. -- Every dealer that sells a new motor vehicle in the State shall provide to the purchaser at the time of the sale or delivery of the motor vehicle, a copy of the notice developed by the Motor Vehicle Administration under this section.

§ 14-1503. Recovery of excise taxes

Conditions under which taxes recoverable.

- o If a dealer, manufacturer, factory or distributor is required under a judgment, decree, arbitration award, or settlement agreement to accept, or by voluntary agreement accepts, return of a motor vehicle from a consumer, the consumer shall be entitled to recover from the Motor Vehicle Administration the excise taxes originally paid by the consumer, subject to subsection (b) of this section.
- o If a dealer, manufacturer, factory or distributor replaces a motor vehicle with a comparable motor vehicle under § 14-1502 (c) (1) (i) of this subtitle, the Motor Vehicle Administration shall allow a credit against the excise tax imposed for the replacement vehicle in the amount of the excise taxes originally paid by the consumer for the returned vehicle, subject to subsection (b) of this section.
- o If the excise tax on the replacement vehicle exceeds the credit allowed

Notification. -- A dealer, manufacturer, factory branch, or distributor who is required under a judgment, decree, arbitration award, or settlement agreement to accept, or who accepts, by voluntary agreement, return of a motor vehicle shall notify the consumer in writing that the consumer is entitled to recover the excise taxes from the Motor Vehicle Administration.

§ 14-1504. Violation of subtitle is unfair and deceptive trade practice; damages

Violation of subtitle is unfair and deceptive trade practice. -- A violation of this subtitle shall be an unfair or deceptive trade practice under Title 13 of this article.

Damages. -- In addition to any other remedies that may be available under this subtitle, if a manufacturer, factory branch, or distributor is found to have acted in bad faith, the court may award the consumer damages of up to \$ 10,000.

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