

Sec. 2. This Act, being deemed of immediate importance, takes effect from and after its publication in the Kossuth County Advance, a newspaper published in Algona, Iowa, and in The Treynor Record, a newspaper published in Treynor, Iowa.

Approved May 15, 1984

I hereby certify that the foregoing Act, Senate File 2277 was published in The Treynor Record, Treynor, Iowa on May 24, 1984 and in the Kossuth County Advance, Algona, Iowa on June 2, 1984.

MARY JANE ODELL, *Secretary of State*

CHAPTER 1283

NEW MOTOR VEHICLE REPAIR OR REPLACEMENT

H.F. 2234

AN ACT requiring repair or replacement of a new motor vehicle which does not conform to express warranties.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. NEW SECTION. NEW MOTOR VEHICLE WARRANTIES.

1. As used in this section:

a. "Consumer" means the original purchaser, other than for purposes of resale, of a motor vehicle for a personal, family, household, or agricultural purpose, any person to whom the motor vehicle is transferred during the duration of an express warranty applicable to the motor vehicle, and any other person entitled by the terms of the warranty to enforce the obligations of the warranty.

b. "Motor vehicle" means a new car or pickup as defined in section 321.1.

2. If a new motor vehicle does not conform to all applicable express warranties, and the consumer reports the nonconformity to the manufacturer, its agent or its authorized dealer during the term of the express warranties or during the period of one year following the date of original delivery of the motor vehicle to a consumer, whichever term or period ends earlier, the manufacturer, its agent or its authorized dealer shall make repairs as are necessary to conform the vehicle to express warranties, notwithstanding the fact that repairs are made after the expiration of the term or the one-year period.

3. If the manufacturer, or its agents or authorized dealers are unable after a reasonable number of attempts to conform the motor vehicle to any applicable express warranty by repairing or correcting any defect or condition which substantially impairs the use and value of the motor vehicle to the consumer, the manufacturer shall replace the motor vehicle with a

comparable new motor vehicle or accept return of the vehicle from the consumer and refund to the consumer the full purchase price including all collateral charges, less a reasonable allowance for the consumer's use of the vehicle. Replacement of the motor vehicle with a new motor vehicle shall only take place upon the return of the motor vehicle by the consumer accompanied by either the certificate of title free of liens, or an agreement of any lienholder to release the lien on the motor vehicle and substitute a lien on the new motor vehicle. The fact that there is a lien on the title of the motor vehicle will not be a bar to a decision by the consumer to return the motor vehicle for replacement by a comparable new motor vehicle rather than receive a refund of the purchase price, if the lienholder is or is owned by the manufacturer, is a subsidiary of the manufacturer, or is under common ownership with the manufacturer. Refunds shall be made to the consumer, and lienholder if any, as their interests may appear. A reasonable allowance for use shall be that amount directly attributable to use by the consumer prior to the first report of the nonconformity to the manufacturer, agent or dealer and during any subsequent period when the vehicle is not out of service by reason of repair. It is an affirmative defense to a claim under this section that an alleged nonconformity does not substantially impair the use and value of the motor vehicle to the consumer or that a nonconformity is the result of abuse, neglect or unauthorized modifications or alterations of a motor vehicle.

4. It shall be presumed that a reasonable number of attempts have been undertaken to conform a motor vehicle to the applicable express warranties, if the same nonconformity has been subject to repair four or more times by the manufacturer or its agents or authorized dealers within the express warranty term or during the period of one year following the date of original delivery of the motor vehicle to a consumer, whichever period ends earlier, but the nonconformity continues to exist, or if the vehicle is out of service by reason of repair for a cumulative total of thirty or more calendar days during the applicable term or period. However, the presumption shall not operate against a manufacturer unless the manufacturer has received prior direct notice of the defect from or on behalf of the consumer and has had an opportunity to correct the defect alleged. The term of an express warranty, the one-year period and the thirty-day period shall be extended by any period of time during which repair services are not available to the consumer because of a war, invasion or strike, or fire, flood or other natural disaster.

5. This section does not limit the rights or remedies which are otherwise available to a consumer under any other law.

6. If a manufacturer has established an informal dispute settlement procedure which complies in all respects with 16 C.F.R. part 703, the provisions of subsection 3 or this section concerning refunds or replacement does not apply to a consumer who has not first resorted to the dispute settlement procedure.

7. Any action brought under this section shall be commenced within six months following either the expiration of the express warranty term, or one year following the date of original delivery of the motor vehicle to a consumer, whichever is the earlier date.

8. All new cars sold in this state shall have affixed thereto in writing at the time of delivery of the new car to the purchaser the following statement: "The purchaser of this new car is protected under the warranty provisions of House File 2234. For further information contact the Consumer Protection Division of the Iowa Attorney General's Office."

Approved May 15, 1984