

322G.2 Definitions.

As used in [this chapter](#), unless the context otherwise requires:

1. “*Collateral charges*” means those additional charges to a consumer wholly incurred as a result of the acquisition of the motor vehicle. For the purposes of [this chapter](#), collateral charges include, but are not limited to, charges for manufacturer-installed or agent-installed items, earned finance charges, use taxes, and title charges.

2. “*Condition*” means a general problem that may be attributable to a defect in more than one part.

3. “*Consumer*” means the purchaser or lessee, other than for purposes of lease or resale, of a new or previously untitled motor vehicle, or any other person entitled by the terms of the warranty to enforce the obligations of the warranty during the duration of the lemon law rights period.

4. “*Days*” means calendar days.

5. “*Department*” means the attorney general.

6. “*Incidental charges*” means those reasonable costs incurred by the consumer, including, but not limited to, towing charges and the costs of obtaining alternative transportation, which are the direct result of the nonconformity or nonconformities which are the subject of the claim. Incidental charges do not include loss of use, loss of income, or personal injury claims.

7. “*Lease price*” means the aggregate of the following:

- a. Lessor’s actual purchase costs.
- b. Collateral charges, if applicable.
- c. Any fee paid to another to obtain the lease.
- d. Any insurance or other costs expended by the lessor for the benefit of the lessee.
- e. An amount equal to state and local use taxes, not otherwise included as collateral charges, paid by the lessor when the vehicle was initially purchased.

f. An amount equal to five percent of the lessor’s actual purchase cost.

8. “*Lemon law rights period*” means the term of the manufacturer’s written warranty, the period ending two years after the date of the original delivery of a motor vehicle to a consumer, or the first twenty-four thousand miles of operation attributable to a consumer, whichever expires first.

9. “*Lessee*” means any consumer who leases a motor vehicle for one year or more pursuant to a written lease agreement which provides that the lessee is responsible for repairs to the motor vehicle.

10. “*Lessee cost*” means the aggregate of the deposit and rental payments previously paid to the lessor for the leased vehicle.

11. “*Lessor*” means a person who holds the title to a motor vehicle leased to a lessee under a written lease agreement or who holds the lessor’s rights under the agreement.

12. “*Manufacturer*” means a person engaged in the business of constructing or assembling new motor vehicles or installing on previously assembled vehicle chassis special bodies or equipment which, when installed, form an integral part of the new motor vehicle, or a person engaged in the business of importing new motor vehicles into the United States for the purpose of selling or distributing the new motor vehicles to new motor vehicle dealers.

13. “*Motor vehicle*” means a self-propelled vehicle purchased or leased in this state, except as provided in [section 322G.15](#), and primarily designed for the transportation of persons or property over public streets and highways, but does not include mopeds, motorcycles, autocycles, motor homes, or vehicles over fifteen thousand pounds gross vehicle weight rating.

14. “*Nonconformity*” means a defect, malfunction, or condition in a motor vehicle such that the vehicle fails to conform to the warranty, but does not include a defect, malfunction, or condition that results from an accident, abuse, neglect, modification, or alteration of the motor vehicle by persons other than the manufacturer or its authorized service agent.

15. “*Person*” means person as defined in [section 714.16](#).

16. “*Program*” means an informal dispute settlement procedure established by a manufacturer which mediates and arbitrates motor vehicle warranty disputes arising in this state.

17. “*Purchase price*” means the cash price paid for the motor vehicle appearing in the sales agreement or contract, including any net allowance given for a trade-in vehicle.

18. “*Reasonable offset for use*” means the number of miles attributable to a consumer up to the date of the third attempt to repair the same nonconformity which is the subject of the claim, or the first attempt to repair a nonconformity that is likely to cause death or serious bodily injury, or the twentieth cumulative day when the vehicle is out of service by reason of repair of one or more nonconformities, whichever occurs first, multiplied by the purchase price of the vehicle, or in the event of a leased vehicle, the lessor’s actual lease price plus an amount equal to two percent of the purchase price, and divided by one hundred twenty thousand.

19. “*Replacement motor vehicle*” means a motor vehicle which is identical or reasonably equivalent to the motor vehicle to be replaced, and as the motor vehicle to be replaced would have existed without the nonconformity at the time of original acquisition.

20. “*Substantially impair*” means to render the motor vehicle unfit, unreliable, or unsafe for warranted or ordinary use, or to significantly diminish the value of the motor vehicle.

21. “*Warranty*” means any written warranty issued by the manufacturer; or any affirmation of fact or promise made by the manufacturer, excluding statements made by the dealer, in connection with the sale or lease of a motor vehicle to a consumer, which relates to the nature of the material or workmanship and affirms or promises that the material or workmanship is free of defects or will meet a specified level of performance.

[91 Acts, ch 153, §2](#); [95 Acts, ch 45, §6](#); [2014 Acts, ch 1072, §1, 2](#); [2016 Acts, ch 1098, §30](#)