

CHAPTER 30  
NEW MOTOR VEHICLE WARRANTY—PROTECTION  
(LEMON LAW)

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

**61—30.1(322G) Definitions.** The term “Lemon Law” as used herein refers to Iowa Code chapter 322G. Other terms used in these rules have the same definitions as in the Lemon Law.

**61—30.2(322G) Statement of consumer rights.** A statement of the rights and obligations of a purchaser or lessee under the Lemon Law shall be provided, at the time of purchase or lease, to all purchasers and lessees, as defined in section 2 of the Lemon Law, for all new motor vehicles purchased or leased on or after July 1, 1991. This statement must be provided to purchasers and lessees on a sheet of paper hand-delivered to the purchaser or lessee and must be in uppercase letters in at least 12-point type. The statement must be as follows:

“THE PURCHASER OR LESSEE OF THIS VEHICLE IS PROTECTED UNDER THE WARRANTY PROVISIONS OF Iowa Code chapter 322G, COMMONLY REFERRED TO AS THE “LEMON LAW.” IF THIS VEHICLE FAILS TO CONFORM TO THE MANUFACTURER’S EXPRESS WARRANTY DURING THE TERM OF THE WARRANTY, THE FIRST 2 YEARS OF OWNERSHIP, OR THE FIRST 24,000 MILES, WHICHEVER EXPIRES FIRST, AND THE NONCONFORMITY SUBSTANTIALLY IMPAIRS THE VEHICLE, YOU MAY QUALIFY FOR A REFUND OR REPLACEMENT OF THIS VEHICLE. CONTACT THE MANUFACTURER OF THE VEHICLE IF YOU BELIEVE THE VEHICLE FAILS TO CONFORM TO THE MANUFACTURER’S EXPRESS WARRANTY. FOR FURTHER INFORMATION REGARDING YOUR RIGHTS AND OBLIGATIONS UNDER THE LEMON LAW, CONTACT THE CONSUMER PROTECTION DIVISION OF THE IOWA ATTORNEY GENERAL’S OFFICE AT: CONSUMER PROTECTION DIVISION, HOOVER STATE OFFICE BUILDING, DES MOINES, IOWA 50319, OR TELEPHONE (515)281-5926.”

The sheet containing this disclosure must also contain the address and telephone number for the zone, district, or regional office of the manufacturer for this state where a claim may be filed by the consumer.

**61—30.3(322G) Disclosure that manufacturer accepted return of vehicle.** A person shall not knowingly lease or sell, either at wholesale or retail, or transfer a title to a motor vehicle returned by reason of a settlement, determination, or decision pursuant to the Lemon Law or a similar statute of any other state unless the nature of the nonconformity is clearly and conspicuously disclosed to the prospective transferee, lessee, or buyer. The disclosure required by this rule shall be made on a separate sheet of paper in at least 12-point type and must state the following in uppercase letters: “THE FIRST RETAIL PURCHASER OR LESSEE OF THIS VEHICLE RETURNED IT TO THE MANUFACTURER AS PART OF A SETTLEMENT OR DECISION UNDER THE IOWA LEMON LAW, IOWA CODE CHAPTER 322G, OR THE LEMON LAW OF ANOTHER STATE. THE FACT THAT THE MANUFACTURER ACCEPTED RETURN OF THE VEHICLE DOES NOT NECESSARILY MEAN THAT THERE ARE STILL PROBLEMS WITH THE VEHICLE. THE FIRST RETAIL PURCHASER OR LESSEE STATED THAT THE VEHICLE HAD THE FOLLOWING PROBLEMS:

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The disclosure required by this rule must contain the name and address of the seller and transferee, lessee or buyer, must be signed by the seller, or the seller’s representative, and the transferee, lessee, or buyer and must contain the date the form was signed by the seller and transferee, lessee, or buyer. The transferee, lessee, or buyer must be provided with an adequate opportunity to review the disclosure form before signing and must be provided with a copy of the completed form at the time of signing. The seller must retain a copy of any completed form for five years following the date the form is completed. For the purposes of this rule, the term “completed” means that all disclosures required by this rule have been made

on the form and the form contains the dated signatures of seller and transferee, lessee, or buyer. Substantially similar disclosures to that required by this rule will be permitted with the prior approval of the attorney general.

**61—30.4(322G) Certification of manufacturers' dispute resolution programs.**

**30.4(1)** *Application for certification.* To apply for certification by the attorney general of a manufacturer dispute resolution program under the Lemon Law, a motor vehicle manufacturer may provide proof of certification in another state pursuant to subrule 30.4(2) or provide the following information to the attorney general at: Consumer Protection Division, Hoover State Office Building, Des Moines, Iowa 50319:

- a. Records which prove that the manufacturer's dispute resolution program is in full compliance with 16 CFR Sections 703.3 and 703.4 as amended to May 28, 1991;
- b. A copy of the written procedures which explain the operation of the program;
- c. A copy of all written materials provided by the program to the parties to a dispute;
- d. A copy of the most recent of any audits conducted of the program regarding the performance of the program;
- e. The name, address, and telephone number of the entity which administers the program;
- f. A copy of all written materials provided by the manufacturer to consumers which state how and where to file a claim with the program;
- g. A list of the names, addresses, and positions of all program staff;
- h. A list of the names, addresses, and occupations of all program decision makers;
- i. Copies of all decisions entered into or decided by the program within the six months prior to the date of application;
- j. Copies of decisions by other states, granting, renewing, denying, or revoking certification; and
- k. Completion of the form "Application for certification of a manufacturer dispute resolution program."

**30.4(2)** *Alternative certification.* If a manufacturer's dispute resolution program is certified in another state under a law substantially similar to the Lemon Law, the manufacturer may apply for certification to the attorney general by providing proof of such certification. In determining whether to certify a dispute resolution program under this subrule, the attorney general may require the manufacturer to submit any of the information included in subrule 30.4(1) and may consider any information obtained from any state in which the manufacturer's dispute resolution program is or was certified or where an application for certification of the program is under consideration.

**30.4(3)** *Denial of certification.* The attorney general shall notify a manufacturer by regular mail of the denial of an application for certification of a dispute resolution program. The attorney general's notice to the manufacturer shall include a statement of the reasons for the denial. A manufacturer may request further review of a denial of certification. The written request must be received by the Consumer Protection Division, Hoover State Office Building, Des Moines, Iowa 50319, within 30 days following the mailing of notification of the denial or revocation of certification. Any additional information to be considered by the attorney general must be filed with the application for further review and not later. If upon further review, the attorney general affirms the denial of certification, or if the manufacturer does not request further review, the decision shall be final. The manufacturer may file a new application for certification at any time following the date the decision becomes final.

**61—30.5(322G) Sanctions.**

**30.5(1)** *Fines.* If the attorney general has probable cause to believe that a manufacturer has violated the Lemon Law or these rules, the attorney general may issue a statement of charges and notice of hearing to determine whether a fine should be imposed.

**30.5(2)** *Revocation of certification.* If the attorney general has probable cause to believe that certification of a manufacturer's dispute resolution program should be revoked, the attorney general may issue a statement of charges and notice of hearing to determine if certification should be revoked.

**30.5(3) Hearings.** Hearings shall be governed by the provisions of 61—25.4(577B,252J). References to the “applicant,” “registrant,” or “respondent” in those rules shall include the manufacturer under these rules.

**30.5(4) Remedies.** The remedies available for violations of the Lemon Law or these rules include, but are not limited to:

- a. Dismissal of the charges.
- b. Imposition of a penalty against the manufacturer not to exceed \$1000 per violation of the Lemon Law or of this rule.
- c. Revocation of certification of a manufacturer’s dispute resolution program.

**61—30.6(322G) Notification of settlement or decision.**

**30.6(1)** A manufacturer’s dispute resolution program certified in this state, or a program established by a manufacturer applying for certification in this state, shall submit to the attorney general a copy of each settlement approved by the program and decision made by the decision maker within 30 days after the settlement is reached or the decision is rendered.

**30.6(2)** The decision or settlement shall contain the following information:

- a. The year, make, model, and vehicle identification number of the vehicle in question, and a copy of the consumer’s or lessee’s certificate of title for the vehicle if replaced or if a refund is issued;
- b. The consumer’s name, address, and telephone number;
- c. The manufacturer’s name, address, and telephone number;
- d. The name, address, and telephone number of the dealership at which the vehicle was purchased or leased and the date of the original delivery of the vehicle to a consumer;
- e. A copy of the consumer’s sales or lease agreement;
- f. A list of all collateral charges incurred by the consumer;
- g. A list of all incidental charges incurred by the consumer;
- h. If a lease, a list of all factors taken into consideration in determining the lease price and lessee cost and the monetary sum for each such factor considered;
- i. A list of each nonconformity alleged by the consumer to substantially impair the motor vehicle, the date of the consumer’s first report of each nonconformity to the manufacturer, and, if available, the odometer reading of the vehicle on the date of the consumer’s first report;
- j. The date of the consumer’s written notification to the manufacturer of each nonconformity for which:
  - (1) Three attempts have been made to repair the same nonconformity;
  - (2) One attempt has been made to repair a nonconformity that is likely to cause death or serious bodily injury; or
  - (3) The motor vehicle has been out of service by reason of repair of one or more nonconformities for 20 or more cumulative days;
- k. The number of miles attributable to the 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;
- l. The date the dispute was submitted to the program;
- m. If a decision, the name of the decision maker, the date the decision was rendered, the reasons for the decision, the actions required of the manufacturer, if applicable, and the date by which the manufacturer was to fulfill the terms of the decision;
- n. If a settlement, the date of the settlement; and
- o. The terms of settlement or decision, including:
  - (1) Whether a refund or replacement;
  - (2) The sum of reasonable offset for use, if any, and a detailed explanation of the calculation of the offset;
  - (3) If a refund, the sum of refund;
  - (4) The date of delivery and year, make, model, and vehicle identification number of replacement vehicle, if any; and

(5) The odometer reading of the vehicle at the time the manufacturer accepted return of the vehicle.

**30.6(3)** Any records submitted, or portions thereof, may be stored by the attorney general on a computer system.

These rules are intended to implement Iowa Code chapter 322G.

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