

2017 Dealership Lemon Law Sticker Audit Report



COMMONWEALTH OF MASSACHUSETTS

Office of Consumer Affairs and Business Regulation

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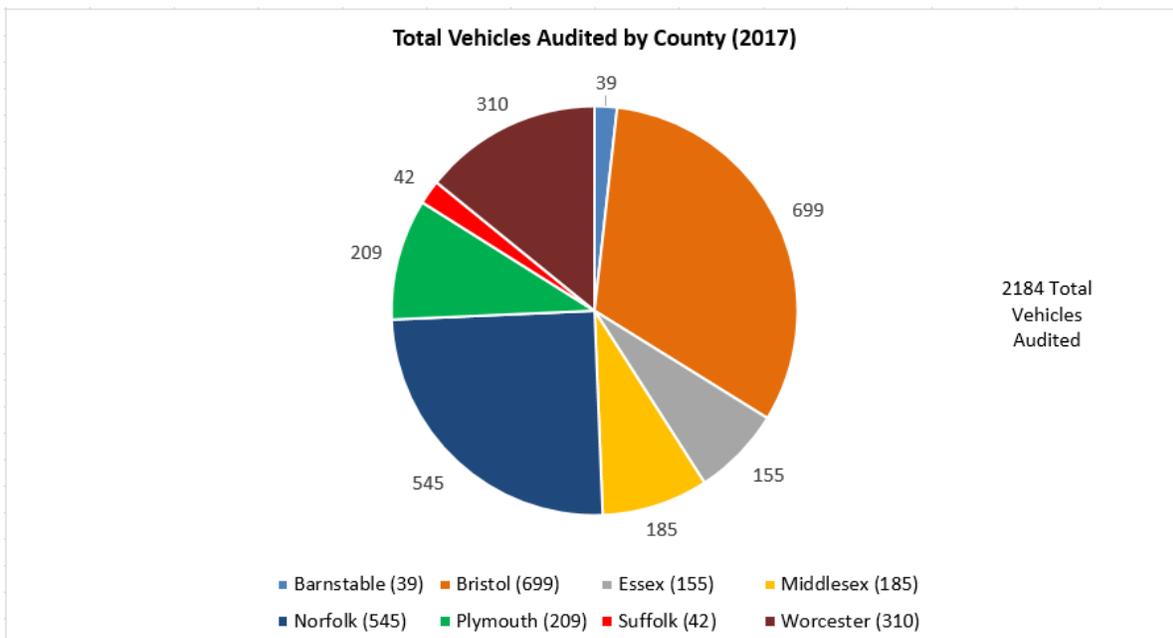
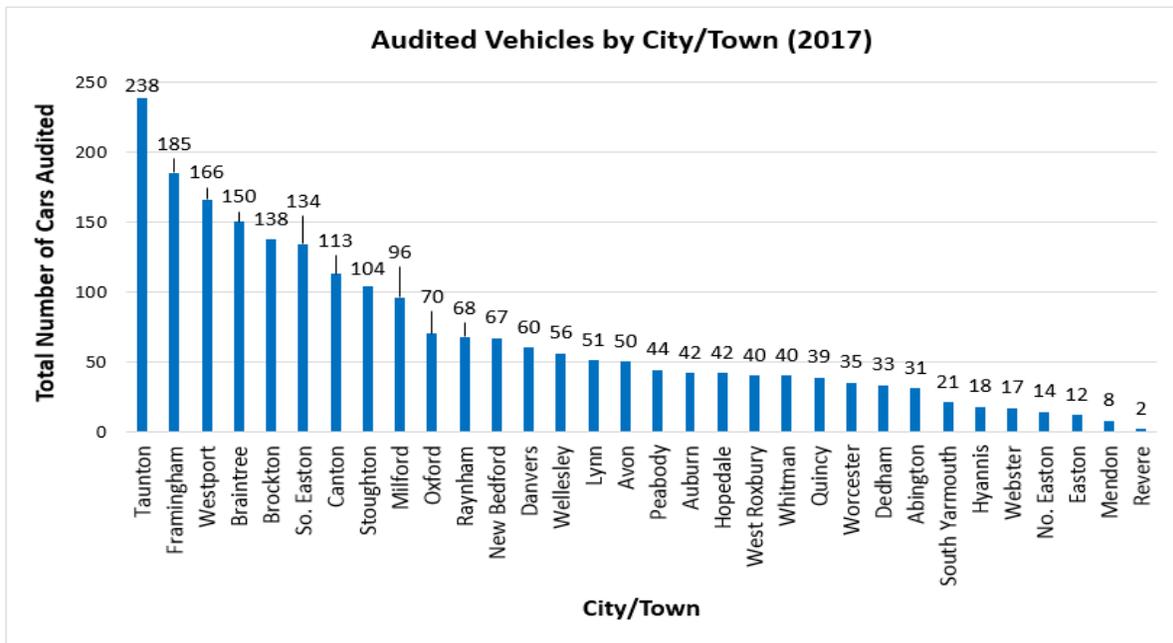


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In an effort to assess and enforce compliance with regulations regarding the state's Lemon Laws, the Office of Consumer Affairs and Business Regulation (OCABR) conducts annual dealership audits to identify the number of vehicles properly displaying Lemon Law stickers. Massachusetts law requires that every new or used vehicle offered or displayed for sale must bear a sticker informing the consumer of their rights under the Lemon Laws. The requirements are set forth in M.G.L. Chapter 90, § 7N1/2, 7N1/4, and 201 CMR 11:00. Dealerships that fail to comply are subject to penalties at the discretion of the municipality in which they operate.

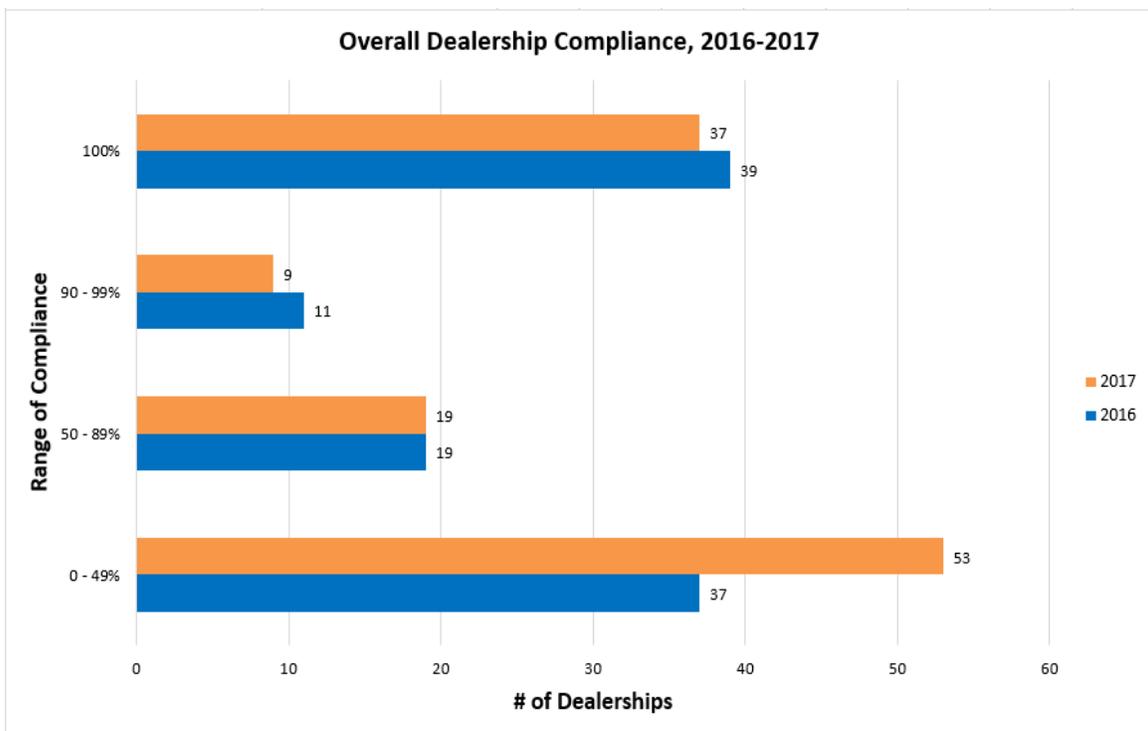
Seven auditor from OCA, its five regulatory agencies, and partners from the Office of the Attorney General's local consumer programs, audited a total of 118 dealerships across 32 municipalities and eight counties. Below are visual representations of the data, categorized by municipality and county:



A total of 37 of the 118 dealerships audited achieved a 100% rate of compliance, defined as each vehicle on the lot displaying a Lemon Law sticker. The full breakdown of overall dealership compliance is listed below:



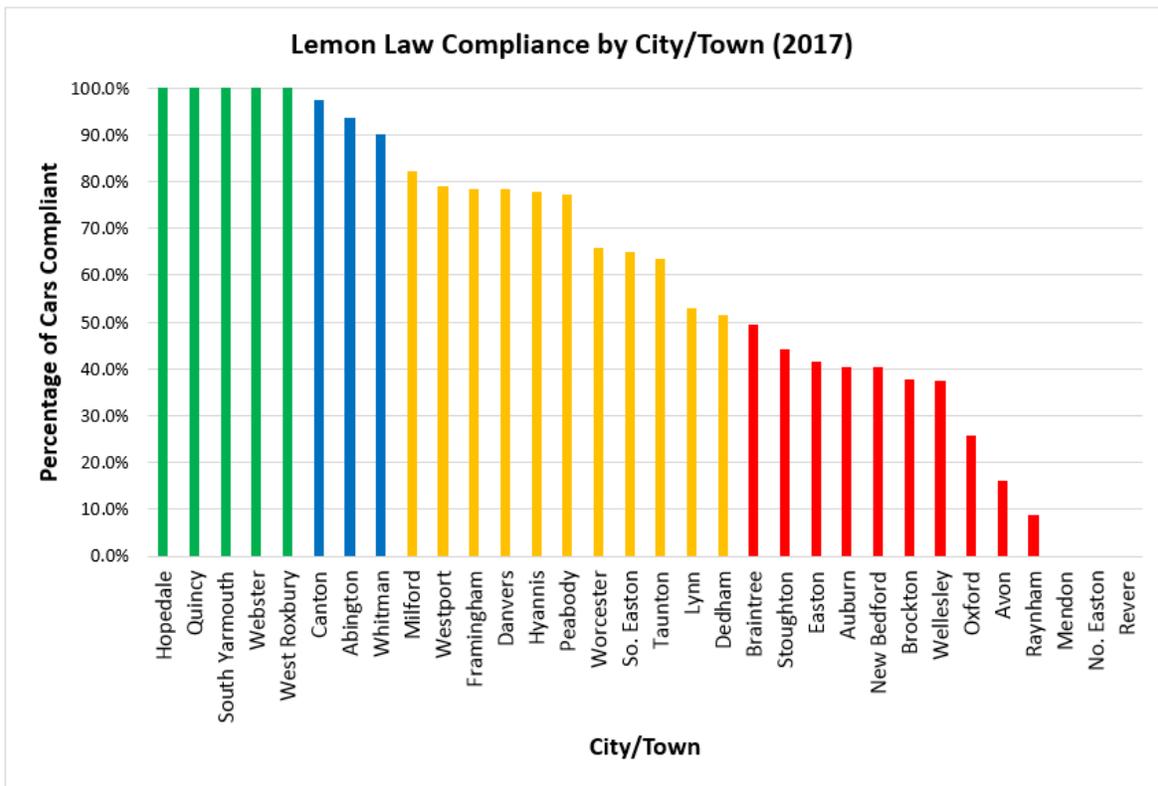
Additionally, we compared the number of dealerships within each range between 2016 and 2017. The comparison graph is listed below:



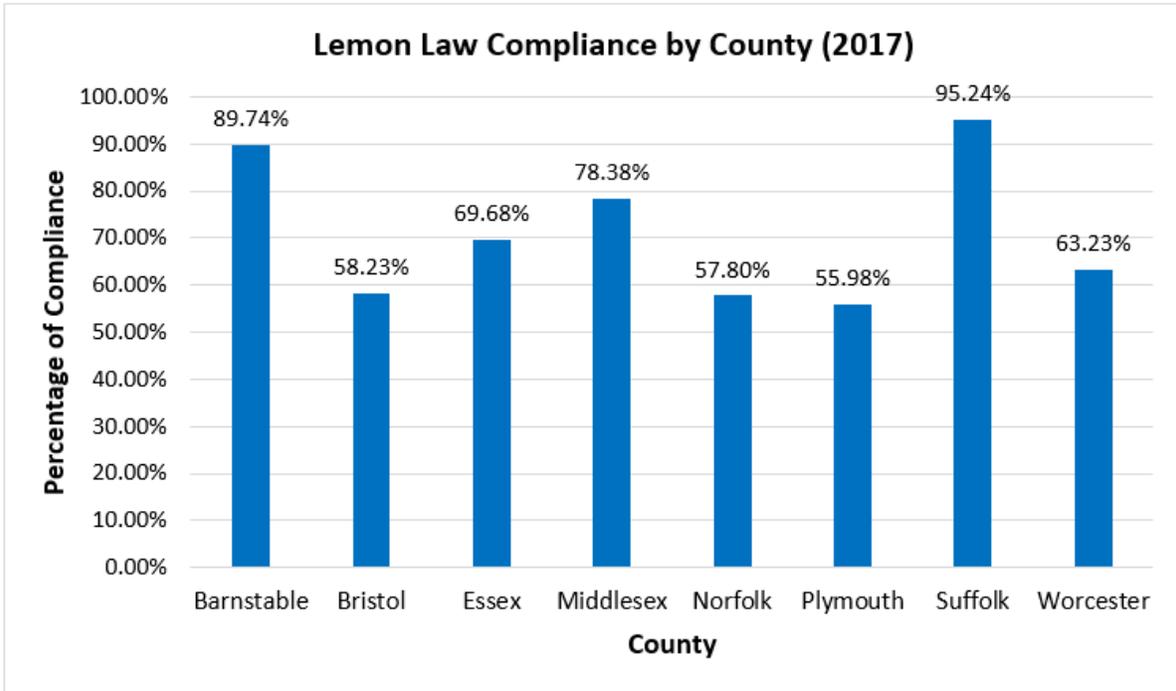
Although compliance is the ultimate goal of the dealership audits, the Office understands that improvement amongst all dealerships is to be acknowledged as well. A compliance rate of 100% is optimal, but the Office recognizes a dealership with a compliance rate greater than 90% is commendable. Based on this criteria, only 43 of the 118 dealerships audited (~36%) featured Lemon Law stickers at a satisfactory rate, an 11% decline from ~47% the previous year.

Among the 106 dealerships audited last year and the 118 analyzed this year, 22 of those dealerships were visited during both audit periods. While zero of these dealerships exhibited 100% compliance across both years, our Office noted generally strong improvements at most dealerships.

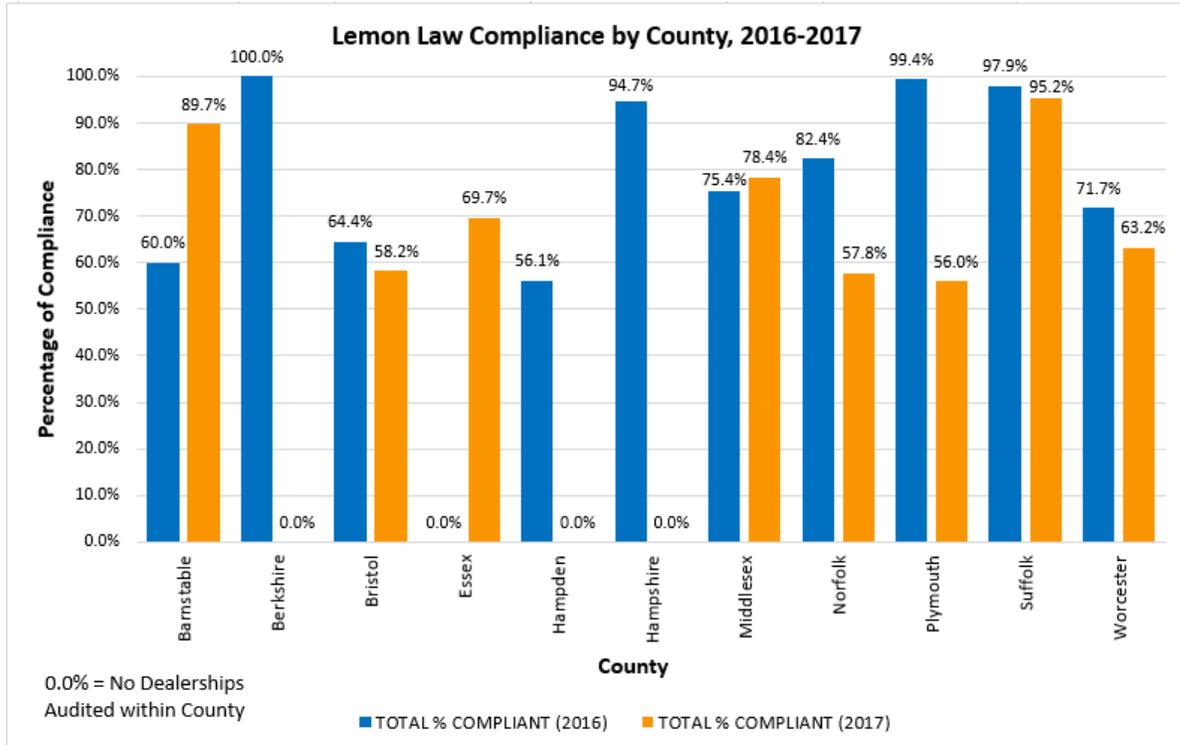
As noted below, of the 32 municipalities where dealerships were audited, only five were 100% compliant with the Lemon Laws. 13 municipalities had less than an average of 50% compliance by dealerships operating within them, including three municipalities with 0% compliance:



The Office also analyzed general compliance trends by multiple municipalities within the eight counties 2017. Suffolk and Barnstable Counties performed best with 95.24% and 89.74% compliance, respectively. Below is the breakdown of performance:



Although the counties audited in 2016 and 2017 did not fully overlap, some improvements in compliance could be viewed in the comparison graph below:



While every Massachusetts municipality is not represented in the report, the data provides a sampling of state wide compliance rates. The purpose of our efforts is to enhance consumer protection and collaborate with individual municipalities to encourage compliance for all dealerships.