

# Spring 2018 Dealership Lemon Law Sticker Audit Report



## COMMONWEALTH OF MASSACHUSETTS

Office of Consumer Affairs and Business Regulation

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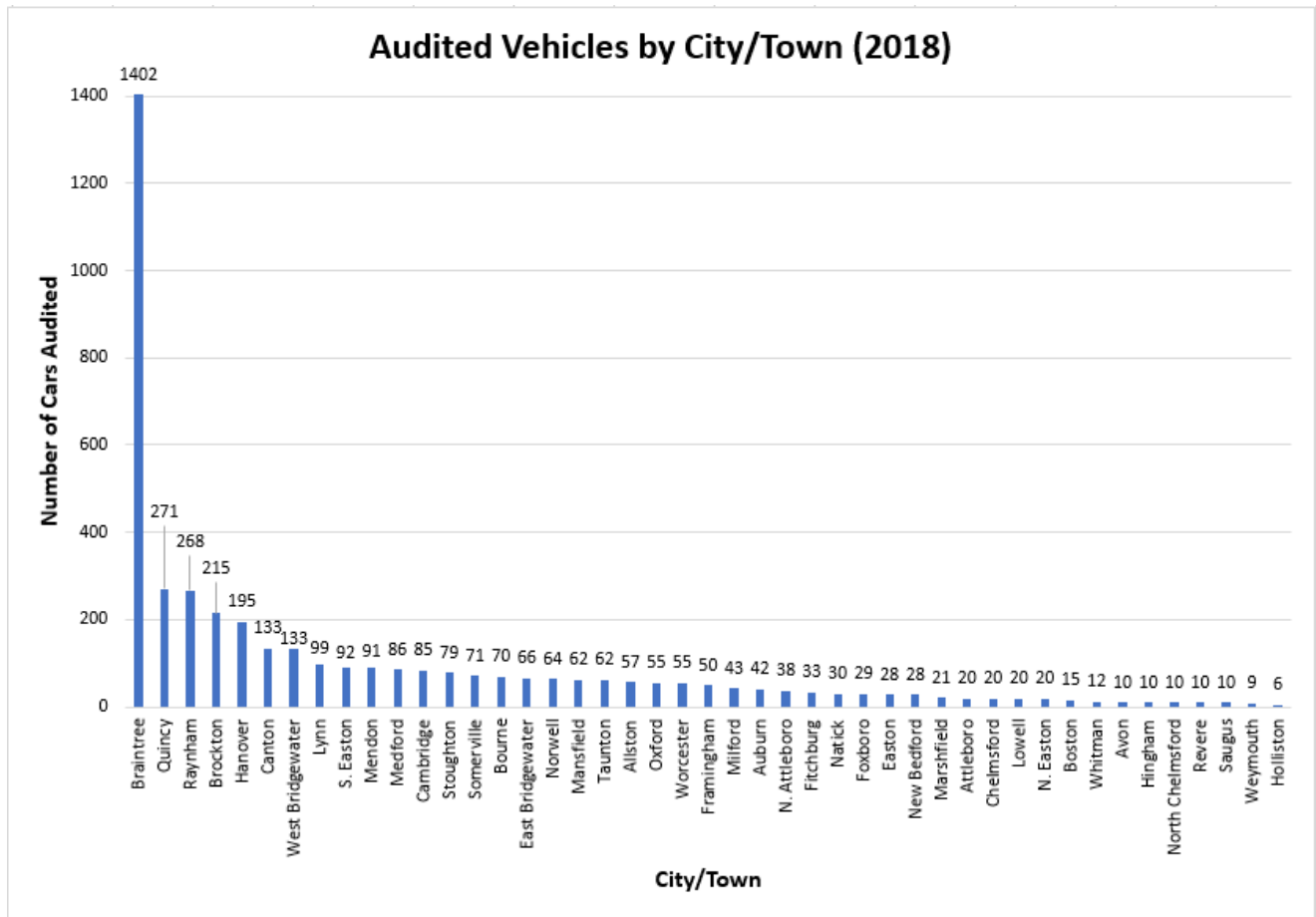
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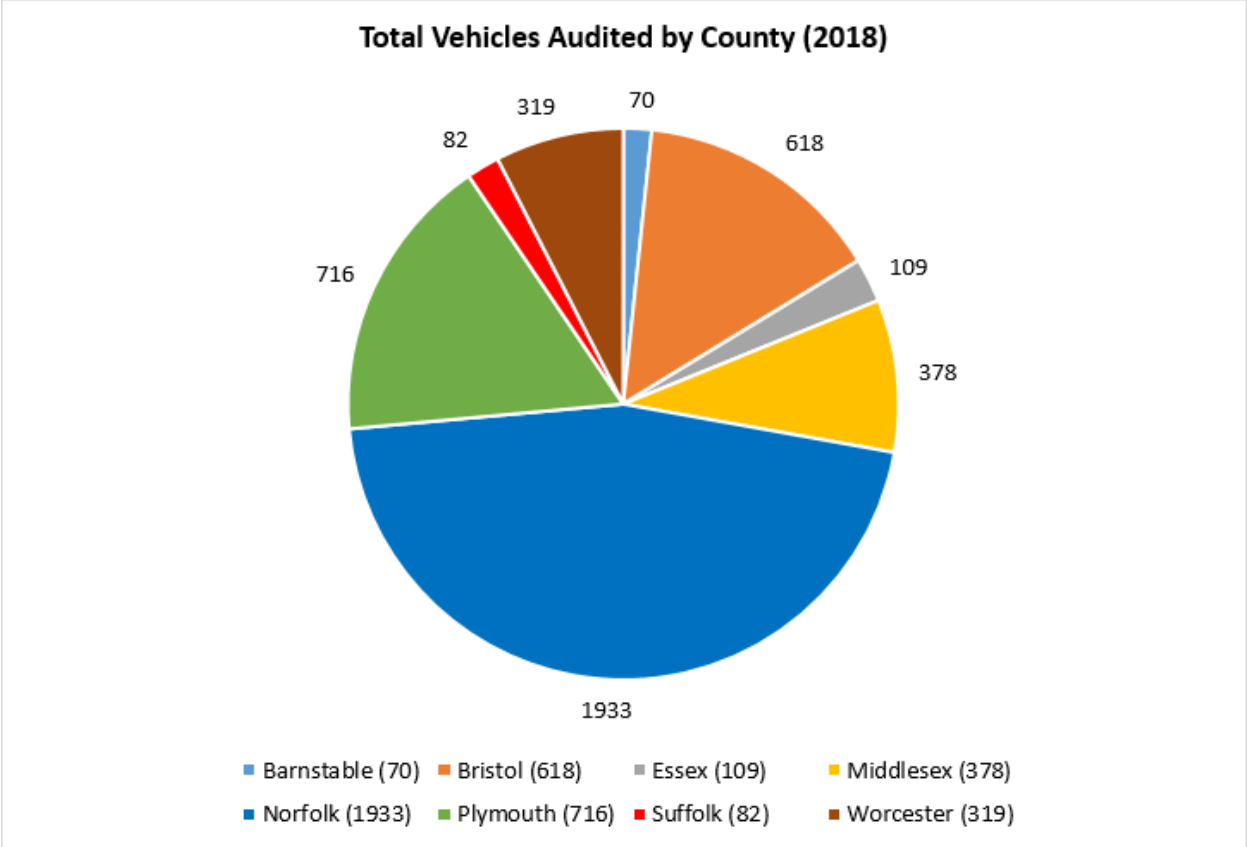
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In an effort to assess and encourage compliance with regulations regarding the state’s Lemon Laws, the Office of Consumer Affairs and Business Regulation (OCABR) conducts annual dealership audits to identify the number of vehicles properly displaying Lemon Law stickers. Massachusetts law requires that every new or used vehicle offered or displayed for sale in the state 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 potential penalties at the discretion of the municipality in which they operate.

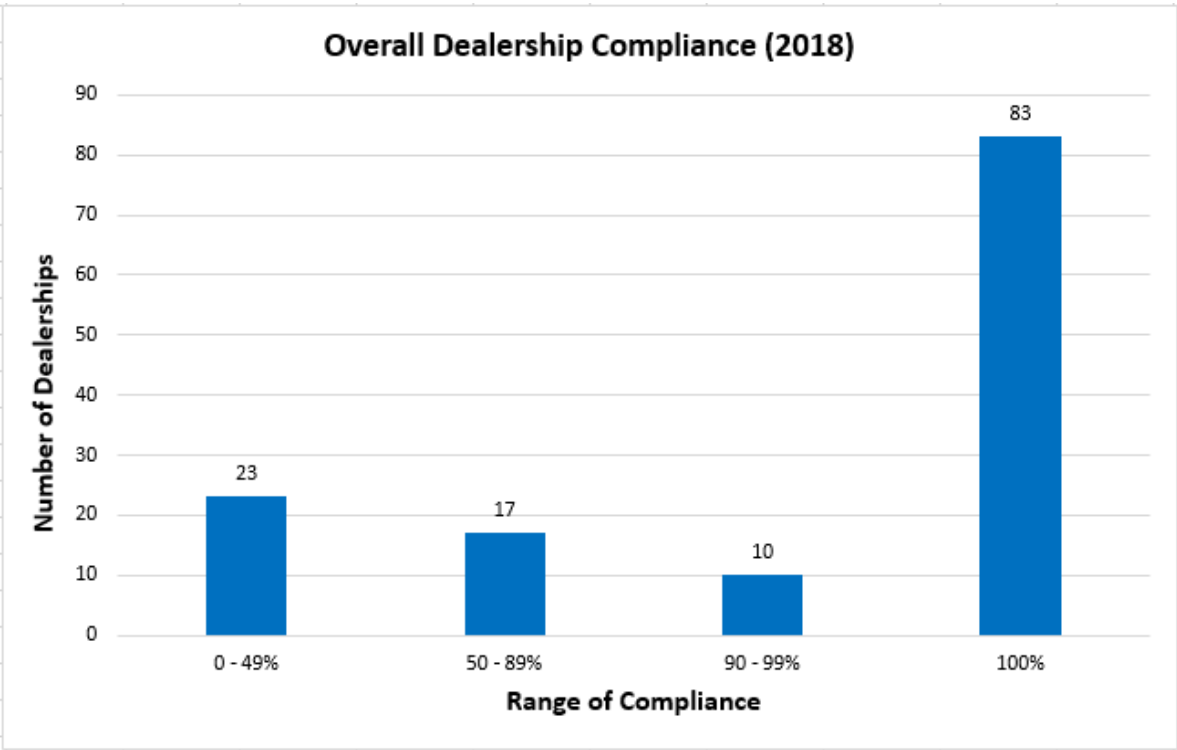
In 2018, the total number of dealerships audited increased to 133 total dealerships, with the audit spanning 45 municipalities. 17 auditors from OCABR, its five regulatory agencies, and partners from the Office of the Attorney General’s (AGO) local consumer programs revisited eight counties to conduct their audit.

The total number of vehicles audited spiked by over 2,000 vehicles from 2,184 vehicles during the 2017 dealership audit to 4,225 vehicles in the 2018 audit. Braintree dealerships headlined this year’s list with 1,402 audited vehicles, followed distantly by Quincy (271) and Raynham (268). Below are visual representations of the data, categorized by municipality and county:

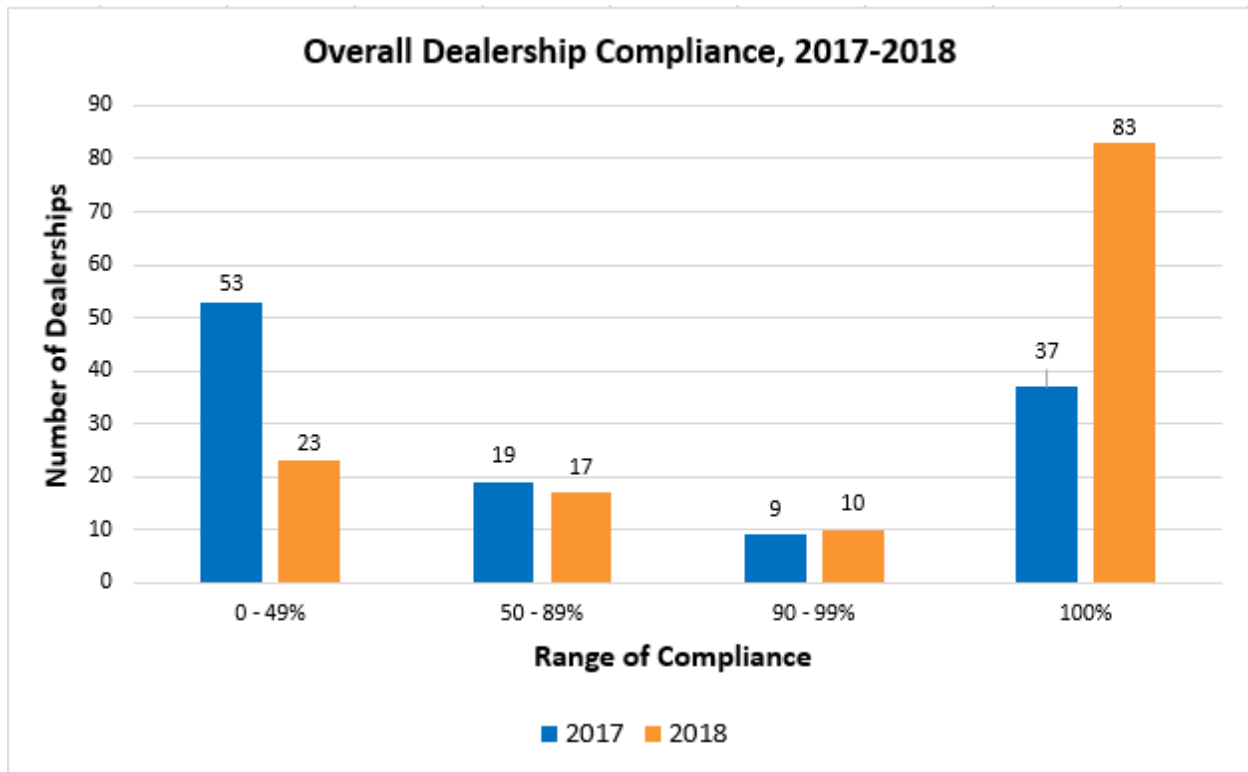




A total of 83 of the 118 dealerships audited achieved a 100% compliance at each dealership all vehicles audited featured a form of a Lemon Law sticker. The full breakdown of overall dealership compliance is listed below:



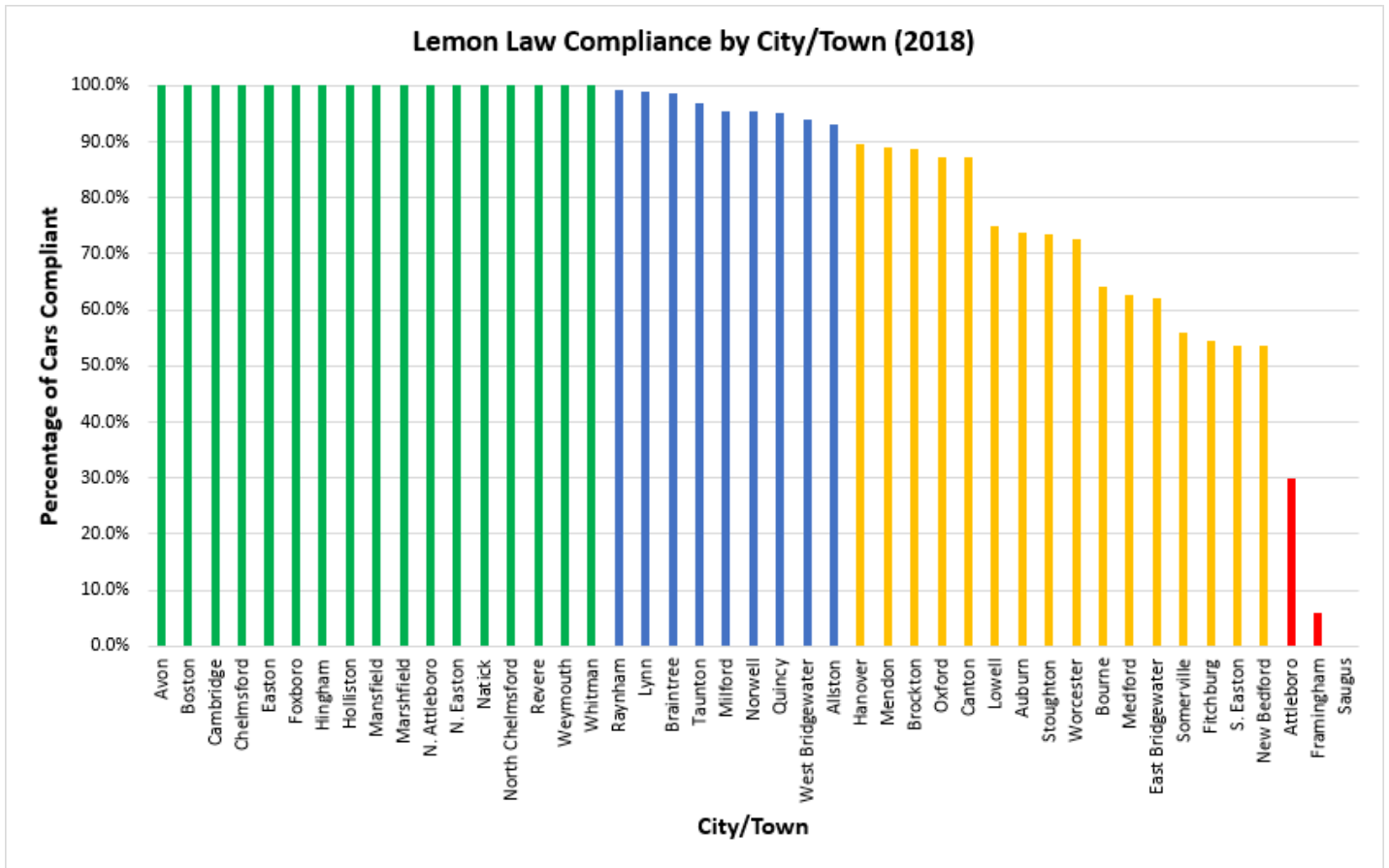
Additionally, we compared the number of dealerships within each range between 2017 and 2018. The comparison graph is listed below:



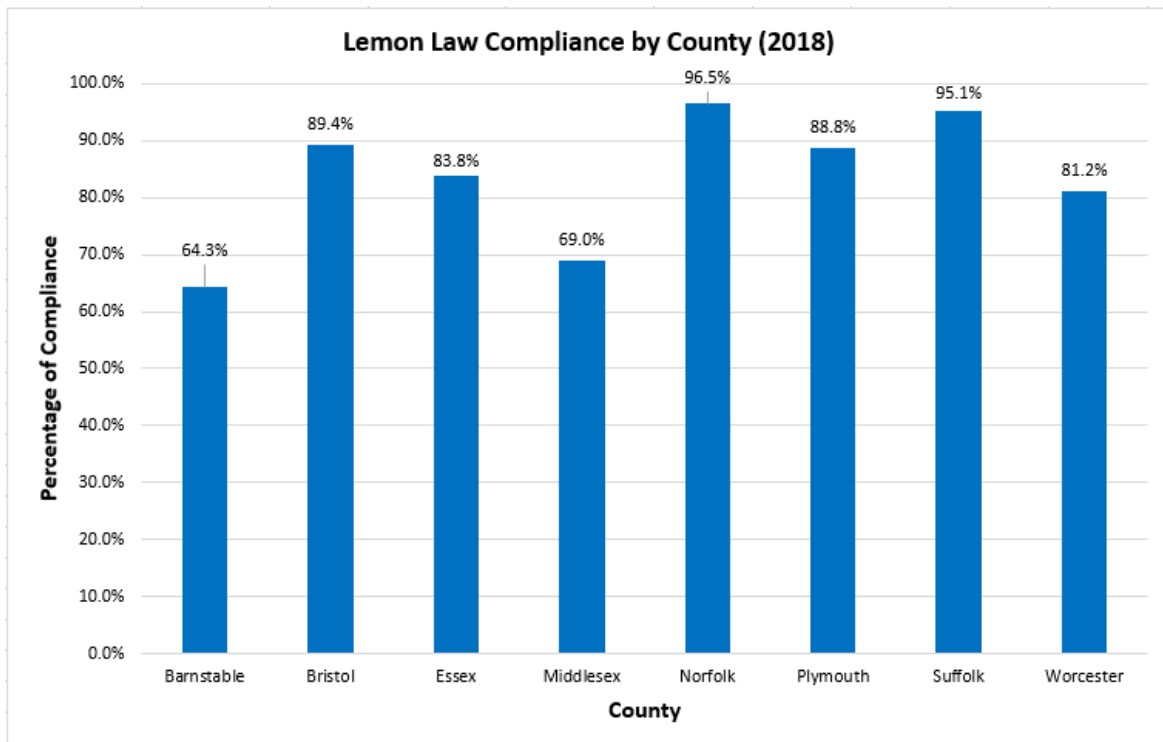
Although compliance is the ultimate goal of the dealership audits, the Office understands that improvement amongst all dealerships is to be acknowledged as well. A compliance rate of 100% is optimal, but the Office recognizes a dealership with a compliance rate greater than 90% is commendable. Based on this criteria, 93 of the 133 dealerships audited (~70%) featured Lemon Law stickers at a satisfactory rate, a 34% increase from ~36% the previous year.

Among the 118 dealerships audited last year and the 133 audited this year, 33 of those dealerships were visited during both audit periods. Our Office noted strong improvements at most dealerships, with 24 of those 33 dealerships demonstrating total compliance. Of the 24, four dealerships achieved total compliance for the second year in a row.

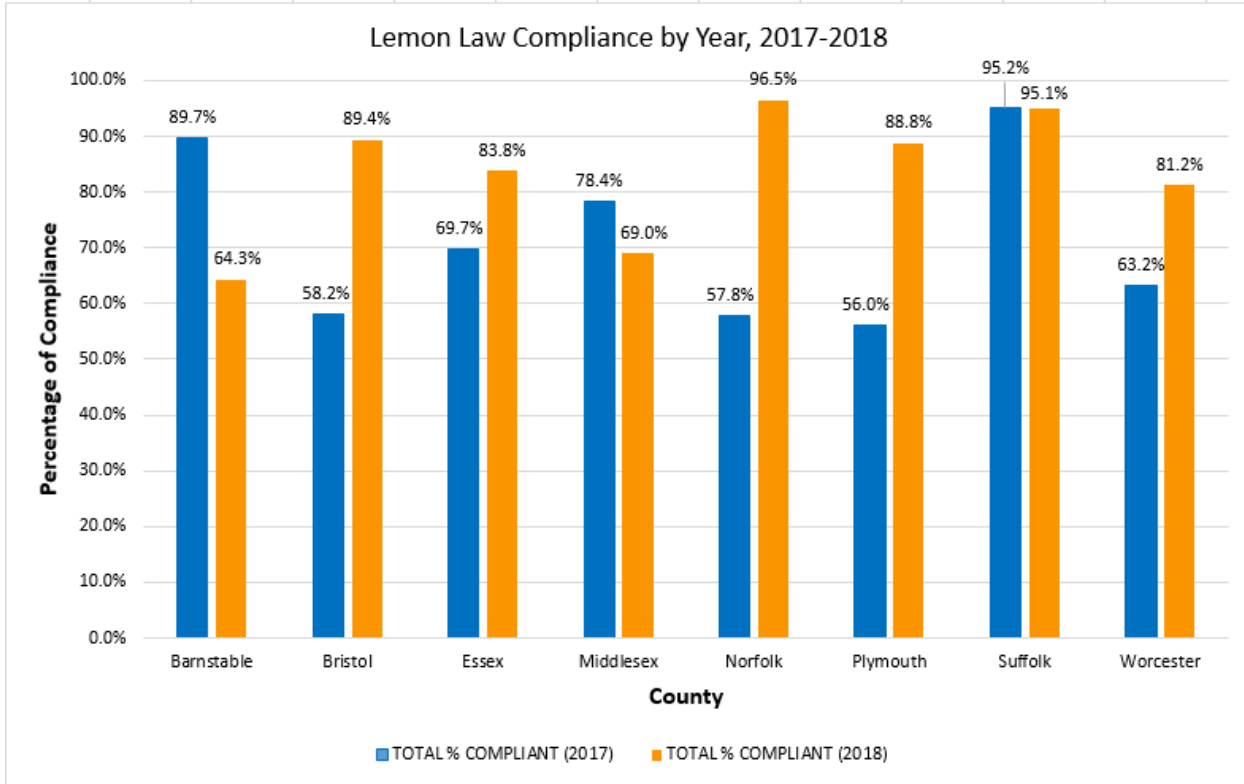
As noted below, of the 45 municipalities where dealerships were audited, 17 were 100% compliant with the Lemon Laws. Two municipalities had less than an average of 50% compliance by dealerships operating within them, including one municipality with 0% compliance:



The Office also analyzed general compliance trends by multiple municipalities within the eight counties 2018. Norfolk and Suffolk counties performed best with 96.5% and 95.1% compliance, respectively. Below is the breakdown of 2018 performance:



Because the list of counties in which dealerships were audited proved consistent over the last two audits, improvement trends between each year could be analyzed. Five of the eight counties exhibited improvements in compliance percentages within. The full representation can be found 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.