

Spring 2019 Report on Dealership Lemon Law Compliance



COMMONWEALTH OF MASSACHUSETTS

Office of Consumer Affairs and Business Regulation

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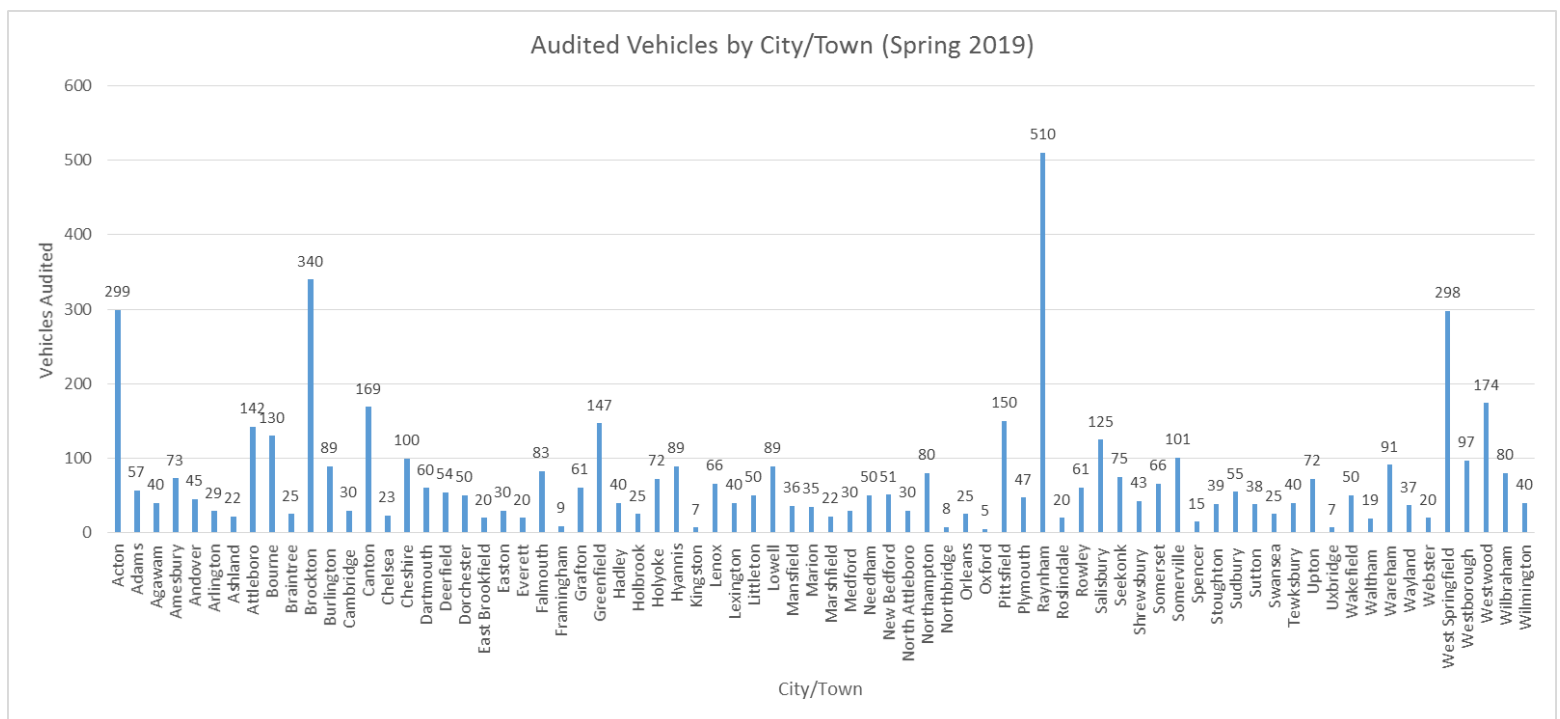
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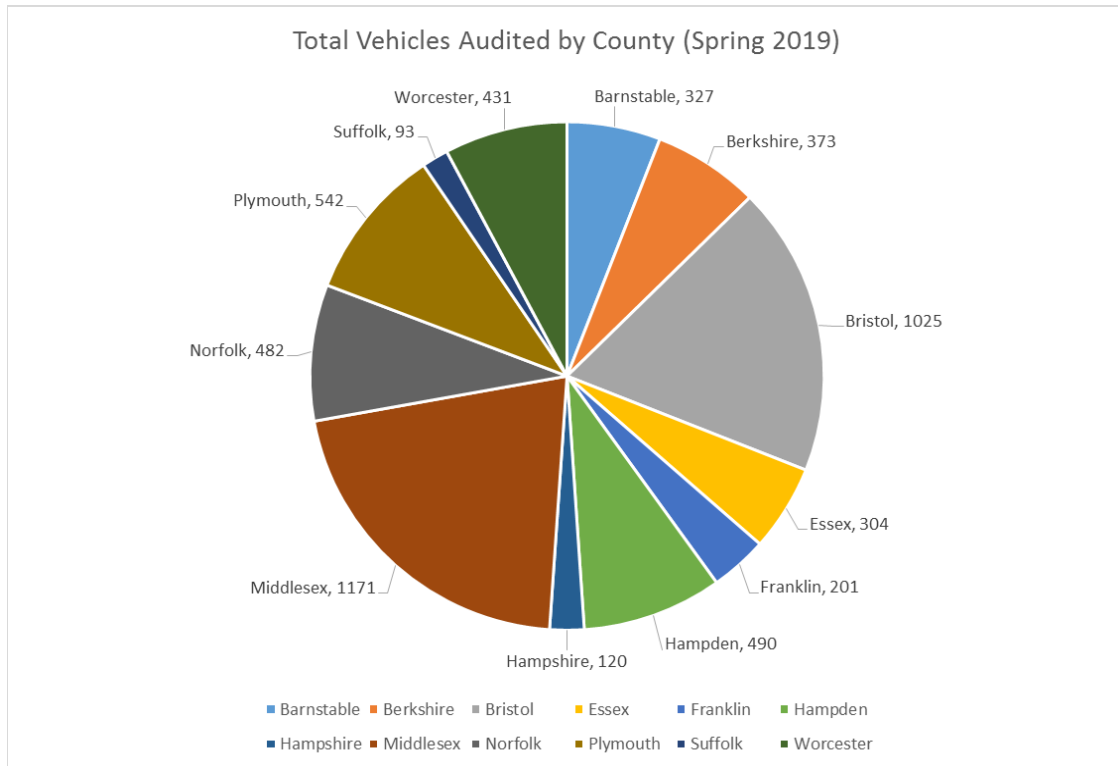
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In an effort to assess and encourage compliance with regulations regarding the state's Lemon Laws, the Office of Consumer Affairs and Business Regulation (OCABR) conducts semi-annual dealership audits to identify the number of vehicles properly displaying Lemon Law stickers. Massachusetts law requires that every new and used vehicle offered or displayed for sale by a licensed dealership 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.

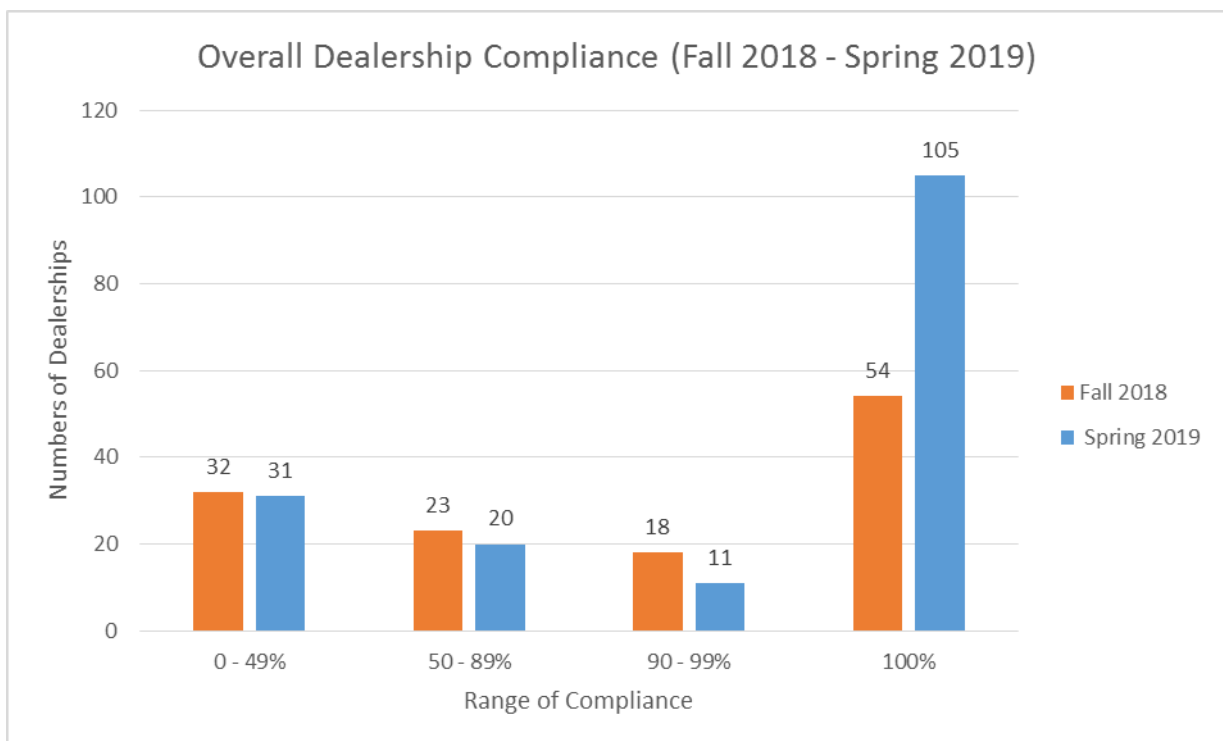
During the Spring 2019 audit, 18 auditors from OCABR, its five regulatory agencies, and partners from the Office of the Attorney General's (AGO) local consumer programs inspected 174 dealerships in 77 municipalities. Out of the 174 dealerships visited for audits, seven dealerships were no longer in business. The audit results therefore reflect only the 167 dealerships that were still open for business.

Dealerships in Raynham had the most audited vehicles (510 vehicles), followed by dealerships in Brockton (340 vehicles) and dealerships in Acton (299 vehicles). Below are visual representations of the number of vehicles audited within the various municipalities and counties:



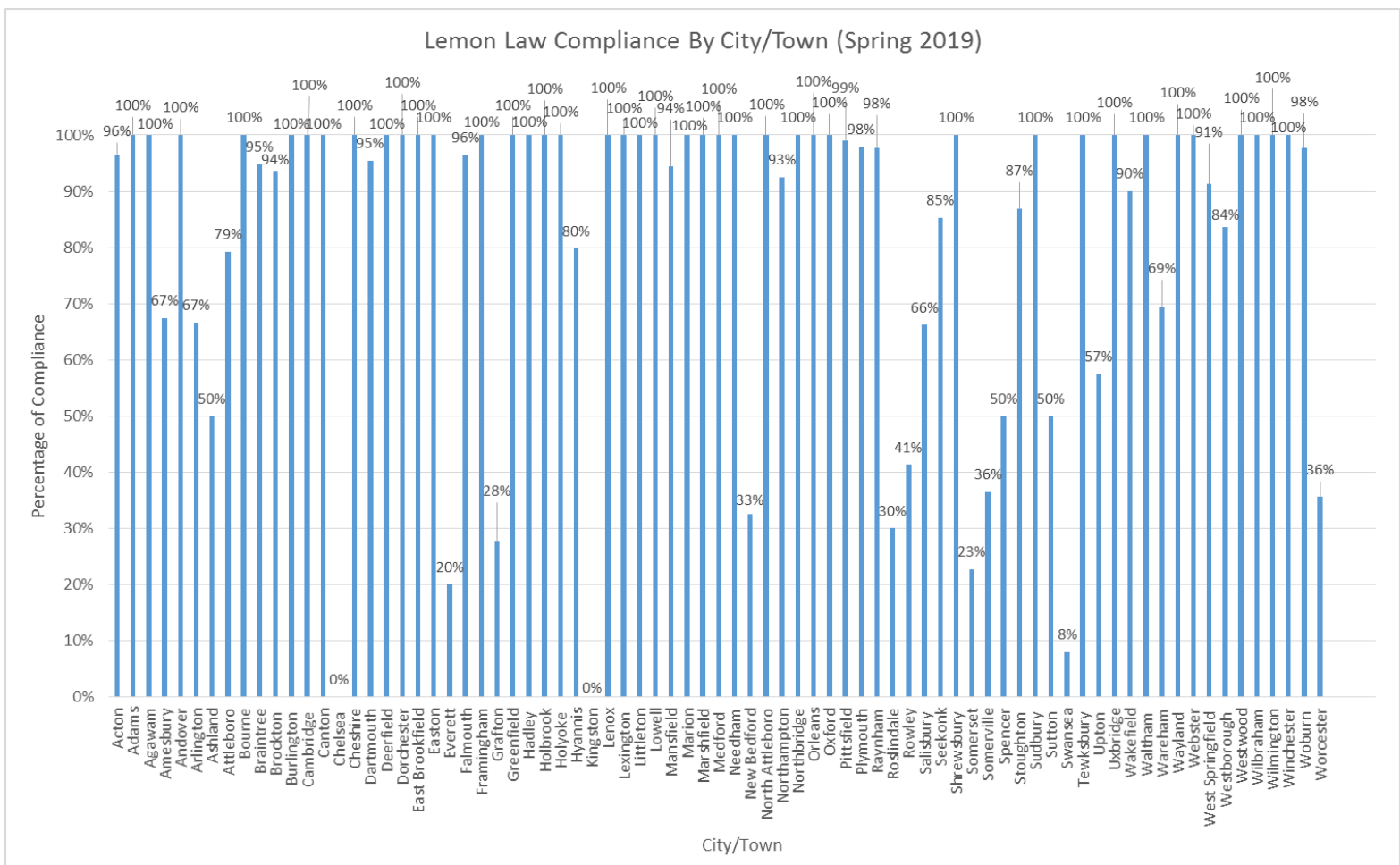


A total of 105 dealerships of the audited 167 dealerships (~63%) achieved a 100% compliance, meaning all of these audited vehicles featured a Lemon Law sticker. The breakdown of overall dealership compliance is listed below with a comparison to the Fall 2018 audit.

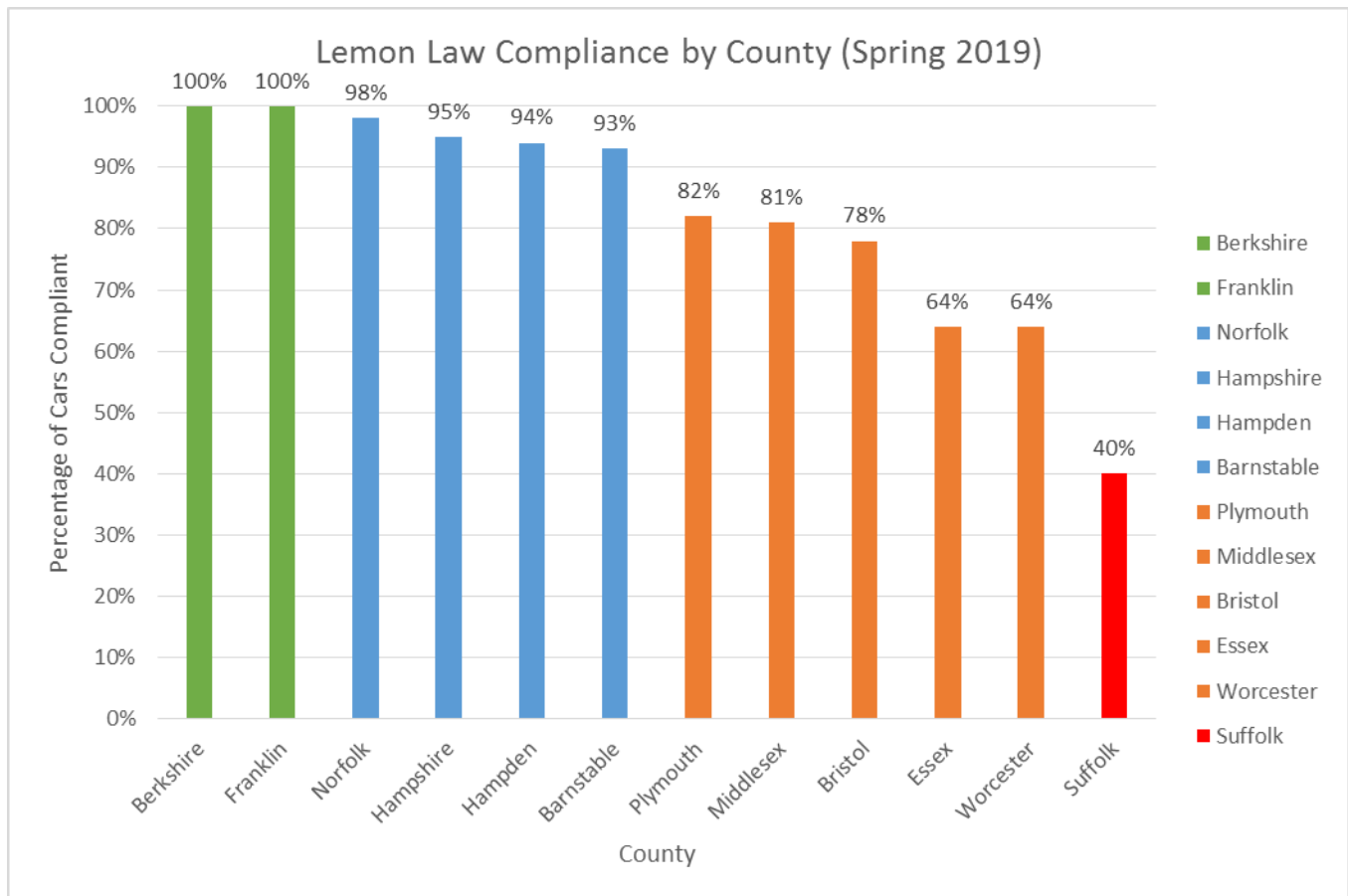


Although total compliance is the ultimate goal of the Office conducting dealership audits, the Office recognizes efforts to comply by dealerships with a satisfactory compliance rate of 90% or higher. Based on this criteria, 116 of the 167 dealerships audited (~69%) featured Lemon Law stickers at a satisfactory rate, a 13% increase from the 127 dealerships with a satisfactory rate audited during the Fall audit last year. Among the 167 dealerships audited during this spring and the 127 dealerships audited last fall, 21 of those dealership were visited during both audit periods. Of these 21 dealerships, fourteen were at 100% compliance, one was at 95% compliance, one was at 71% compliance, one was at 56% compliance, one was at 47% compliance, one was at 30% compliance, and two were at 0% compliance. Seven have shown an improvement in compliance.

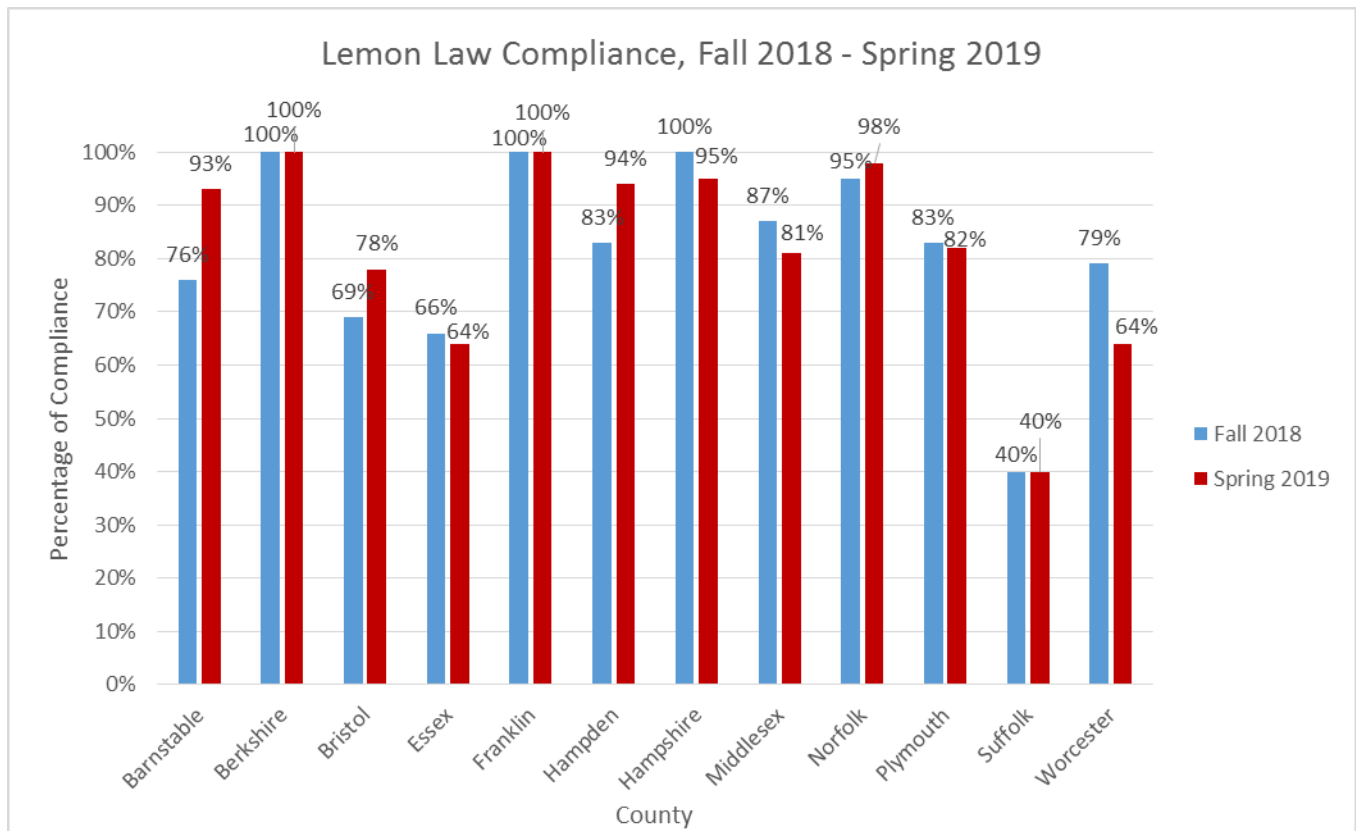
As noted below, of the 77 municipalities where dealerships were audited in Spring 2019, 40 municipalities had dealerships that were 100% compliant with the Lemon Laws. Eleven municipalities had an average of less than 50% compliance by dealerships operating within them, including two municipalities with 0% compliance:



The Office also analyzed general compliance trends by county in the Spring 2019 audit. Berkshire and Franklin counties both remained at 100% compliance. Norfolk County was the next highest in compliance at 98%, and Suffolk County was the least compliant with a 40% Lemon Law compliance rating. Below is the breakdown of the Spring 2019 performance:



The same counties were audited during both the Fall 2018 audit and the Spring 2019 audit. Dukes and Nantucket Counties were not audited during either audit. Based on the recent audit results, four counties – Barnstable, Bristol, Hampden, and Norfolk – exhibited improvements in compliance while five counties – Essex, Hampshire, Middlesex, Plymouth, and Worcester – decreased in compliance. The graph below visually depicts the Spring 2019 audit and the Fall 2018 audit comparison.



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