

## TEXAS LEMON LAW SUMMARY

EXECUTIVE SUMMARY	
TIME PERIOD FOR FILING CLAIMS	A proceeding must be commenced within six months following th earlier of (1) expiration of the express warranty term, or (2) 24 m or 24,000 miles following the date of the vehicle's original delive consumer.
ELIGIBLE VEHICLE	(1) A self-propelled vehicle that has two or more wheels and has as its primary purpose the transport of persons or property on a public highway; (2) a self-propelled, titled vehicle that has two or more wheels and has as its primary purpose the off-road transportation of persons or property; or (3) an engine, transmission, or rear axle manufactured for installation in a vehicle of more than 16,000 pounds GVWR and having as its primary purpose the transport of persons or property on a public highway; or (4) a towable recreational vehicle.
ELIGIBLE CONSUMER	"Owner" is a person who is entitled to enforce a manufacturer's warranty with respect to a motor vehicle, and is one of the following:
	A. purchased the motor vehicle at retail from a license holder;
	B. is a lessor or lessee, other than a sublessee, who purchased or leased the vehicle from a license holder;
	C. is a resident of this state and has registered the vehicle in this state;
	D. purchased or leased the vehicle at retail and is an active duty member of the United States armed forces stationed in this state at the time a proceeding is commenced under this subchapter; or
	E. the transferee or assignee of a person described by Paragraphs (A)-(D); a resident of this state; and the person who registered the vehicle in this state.
TIME PERIOD FOR FIRST OCCURRENCE OR NOTICE	Express warranty period.
TIME PERIOD FOR REASONABLE NUMBER OF ATTEMPTS TO REPAIR	The earlier of (1) expiration of warranty, or (2) 24 months or 24,000 miles following original delivery to a consumer.



DECUMPTION	<b>D</b> ecomposition (c) for a second seco
PRESUMPTION OR DEFINITION	<b>Presumption:</b> (1) four or more repair attempts to same nonconformity; (2) two or more repair attempts to same serious safety nonconformity; or (3) out of service for repair for 30 or more days.
	A period of number of days or miles described in (1)-(2) is extended for any period that repair services are not available to the consumer because of war, invasion, strike, fire, flood, or other natural disaster.
	Note: The 30 days mentioned in (3) do not include any day where the manufacturer or dealer lends the consumer a comparable vehicle.
NOTICE TO MANUFACTURER	Before a refund or replacement may be ordered; written notice.
FINAL OPPORTUNITY TO REPAIR	Before a refund or replacement may be ordered.
REASONABLE ALLOWANCE	Miles before first report, divided by 120,000 and multiplied by purchase price or lessor's purchase price; plus miles after first report, divided by 120,000 and multiplied by 50% of purchase price or lessor's purchase price. The Texas Department of Transportation indicates on its web
	site that a replacement award will be reduced for mileage used.
DISPUTE RESOLUTION	Before bringing an action in court, consumer must first resort to state-operated arbitration program.
DISCLOSURE TO SUBSEQUENT PURCHASER	Yes.
TITLE BRANDING	No.

TH	TEXAS LEMON LAW SUMMARY	
1.	Citation	Tex. Occ. Code Ann §§ 2301.001 (for definitions), 2301.601 through 2301.613, and Texas Admin. Code Title 43 §§ 215.201 through 215.210.
2.	Motor vehicle covered	<ol> <li>Every fully self-propelled vehicle that has two or more wheels and has as its primary purpose the transport of persons or property on a public highway;</li> <li>Every fully self-propelled, titled vehicle that has two or more wheels and has as its primary purpose of off-road transportation of persons or property and meets the requirements of certificate of title; or</li> <li>An engine, transmission, or rear axle whether or not attached to a vehicle chassis, that is manufactured for installation in a vehicle having as its primary purpose the transport of persons or property on a public highway and having a gross vehicle weight rating of more than 16,000 pounds.</li> </ol>
3.	Consumer covered	<ul> <li>Definition: A person who is entitled to enforce a manufacturer's warranty with respect to a motor vehicle, and is one of the following:</li> <li>(1) A person who purchases a motor vehicle at retail from a license holder;</li> <li>(2) The lessor or lessee (other than a sublessee) who purchased or leased a motor vehicle from a license holder;</li> <li>(3) A person who is a resident of Texas and has registered the vehicle in Texas;</li> <li>(4) A person who purchased or leased the vehicle at retail and is an active member of the U.S. armed forces stationed in Texas at the time the claim is filed; or</li> <li>(5) The transferee or assignee of a person described in (1)-(4), a resident of Texas, and registered the vehicle in Texas.</li> </ul>
4.	Nonconformity defined	Not defined. Any defect or condition that creates a serious safety hazard, substantially impairs the use or market value of the motor vehicle, or continues to exist after four or more repair attempts is referred to as a <i>nonconformity</i> . "Serious safety hazard" is defined as a life-threatening malfunction or nonconformity that: (1) substantially impedes a person's ability to control or operate a motor vehicle for ordinary use or intended purposes; or (2) that creates a substantial risk of fire or explosion. "Impairment of market value" is defined as a substantial loss in market value caused by a defect specific to the motor vehicle.
5.	Warranty defined	Not defined.



TE	TEXAS LEMON LAW SUMMARY	
6.	Lemon law rights period	Not specified.
7.	Manufacturer's obligation to repair	If a new motor vehicle does not conform to the manufacturer's, converter's, or distributor's express warranty, then the manufacturer, converter or distributor must make the necessary repairs.
		<ul> <li>The necessary repairs must be made after the applicable warranty period has expired if:</li> <li>(1) The consumer or the consumer's agent reports the nonconformity to the manufacturer, converter, or distributor, or any of their agents or franchised dealers during the term of the express warranty; or</li> <li>(2) The terms of the <i>presumption</i> relating to the vehicle (see below) have been met.</li> </ul>
8.	Manufacturer's obligation to repurchase or replace	If the manufacturer, converter, or distributor is unable to conform the motor vehicle to the applicable express warranty by repairing or correcting a nonconformity after a <i>reasonable number of attempts</i> , the manufacturer, converter, or distributor must either replace or repurchase the motor vehicle.
9.	Criteria for reasonable number of repair attempts	<ul> <li>Presumed if any of the following occurs: <ul> <li>(1) The same nonconformity continues to exist after being subject to repair four or more times by the manufacturer, converter, or distributor, or any of their agents or franchised dealers and the repair attempts were made within 24 months or 24,000 miles, whichever occurs first, following the date of original delivery to a consumer;</li> <li>(2) The same nonconformity creates a serious safety hazard and continues to exist after being subject to repair two or more times by the manufacturer, converter, or distributor, or any of their agents or franchised dealers, and the attempts to repair were made within 24 months or 24,000 miles, whichever occurs first, following the date of original delivery to a consumer; or</li> <li>(3) A nonconformity that substantially impairs the vehicle's use or market value still exists and the vehicle is out of service for repair for a cumulative total of 30 or more days within 24 months or 24,000 miles, whichever occurs first, following the date of original delivery to a consumer.</li> </ul> </li> <li>A period of number of days or miles described in (1)-(2) is extended for any period that repair services are not available to the consumer because of war, invasion, strike, fire, flood, or other natural disaster.</li> <li>The 30-day period does not include any period during which the manufacturer or distributor lends a comparable motor vehicle to the consumer during the time of repairs by a franchised dealer.</li> </ul>
10.	Notice of nonconformity and final opportunity to repair	The manufacturer, converter, or distributor will not be required to replace or repurchase a vehicle unless:



TEXAS LEMON LAW SUMMARY	
	<ul> <li>(1) The consumer, a person on behalf of the consumer, or the Texas Department of Motor Vehicles provided written notice of the alleged nonconformity or defect to the manufacturer, converter, or distributor; and</li> </ul>
	(2) The manufacturer, converter, or distributor has been given an opportunity to cure the alleged defect or nonconformity.
11. Affirmative defenses	<ul> <li>It is an affirmative defense that the nonconformity:</li> <li>(1) Is the result of abuse, neglect, or unauthorized modifications or alterations of the motor vehicle, or</li> <li>(2) Does not substantially impair the use or market value of the motor vehicle.</li> </ul>
12. Refund	Purchased vehicle
	<ul> <li>Refund consists of:</li> <li>(1) The full purchase price. The Texas Department of Motor Vehicles indicates this means the amount of the total purchase price of the vehicle, including sales taxes and title, registration and documentary fees, but not including the amount of any interest or finance charge or insurance premiums; and</li> </ul>
	(2) Reasonable incidental costs resulting from loss of use of the motor vehicle because of the nonconformity or defect. The Texas Department of Motor Vehicles has defined reimbursable incidental expenses as including but not limited to:
	<ul> <li>(a) alternate transportation;</li> <li>(b) towing;</li> <li>(c) telephone calls or mail charges directly attributable to contacting the manufacturer, distributor, converter or dealer regarding the vehicle;</li> <li>(d) meals and lodging necessitated by the vehicle's failure during out-of-town trips;</li> <li>(e) loss or damage to personal property;</li> <li>(f) attorney fees if the complainant retains counsel after notification that the respondent is represented by counsel; and</li> <li>(g) items or accessories added to the vehicle at or after purchase, taking into consideration the permanent nature, functionality, and value added by the items or accessories and whether the items or accessories are original equipment manufacturer (OEM) parts or non-OEM parts;</li> </ul>
	(3) Less a reasonable allowance for the consumer's use of the vehicle.
	Refunds must be made to the consumer and lienholder, if any, as their interests may appear.
	Leased vehicle
	Refund consists of:
	<ul><li><i>To the lessee</i></li><li>All lease payments previously paid by the lessee to the lessor under the terms of the lease;</li></ul>
	2. All sums previously paid to the lessor in connection with entering into the lease agreement, including but not limited to any capitalized cost reduction, down payment, trade-in, or similar cost; and
	3. Sales tax, license, registration fees, and other documentary fees, if applicable; and
	4. Less a reasonable allowance for the consumer's use of the vehicle.



TEXAS LEMON L	
	To the lessor
	<ul> <li>(1) 105% of the actual price paid by the lessor for the vehicle</li> <li>(a) Any tay, title license and documentary fors if paid by the lessor and avidenced in a bill of</li> </ul>
	(2) Any tax, title, license and documentary fees, if paid by the lessor and evidenced in a bill of sale, bank draft demand, tax collector's receipt, or similar instrument;
	<ul><li>(3) Any amount or fee, if any, paid by the lessor to secure the lease or interest in the lease; and</li><li>(4) Less all payments made by the lessee.</li></ul>
	Refunds must be made to the lessee, lessor, and any lienholder as their interests may appear. The motor vehicle must be returned to the manufacturer, converter or distributor with clear title upon payment of these amounts. The lessor must transfer title of the motor vehicle to the manufacturer, converter or distributor as necessary to effectuate the lessee's rights under the lemon law. The lease must be terminated without any penalty to the lessee.
13. Replacement	(1) Replacement Owned Vehicle shall replace the motor vehicle with a comparable motor vehicle.
	<ul> <li>(2) Replacement of a leased vehicle is the consumer's choice of a comparable motor vehicle. The sales price of the comparable vehicle shall be the vehicle's DSRP. The trade-in value of the consumer's vehicle shall be the MSRP at the time of the original transaction, less a reasonable allowance for use. If the comparable motor vehicle has a higher DSRP than the consumer's vehicle, the consumer shall be responsible at the time of sale to pay or finance the difference in the two vehicles' MSRP/DSRP to the manufacturer, converter, or distributor.</li> <li>(3) The Texas Department of Transportation indicates on its web site that a replacement award will be reduced for mileage used.</li> </ul>
14. Reasonable allowance	The reasonable allowance for a consumer's use of the vehicle must be that amount directly attributable to use of the motor vehicle when the vehicle is not out of service for repair. The Texas Department of Motor Vehicles has established a presumption that a motor vehicle has a useful life of 120,000 miles, and has defined reasonable allowance for use of a <b>purchased vehicle</b> to be the following except in cases where the preponderance of the evidence shows that the vehicle has a longer or shorter expected useful life than 120,000 miles:
	a) miles vehicle traveled from delivery to consumer until first report of defect or condition leading to repurchase Purchase
	X Price 120,000 <b>plus</b>
	b) miles vehicle traveled after date of first report of defect or condition leading to repurchase through date of the hearing Purchase 
	120,000
	The Texas Department of Motor Vehicles has defined reasonable allowance for use of a <b>leased</b>
	<b>vehicle</b> to be the following except in cases where the preponderance of the evidence shows that the vehicle has a longer or shorter expected useful life than 120,000 miles:



TEXAS LEMON LA	W SUMMARY
	first report of defect or condition leading to repurchase Actual price X paid by the lessor
	120,000 for the vehicle
	plus
	b) miles vehicle traveled after date of first report of defect or condition leading to repurchase through date of the hearing Actual price 
	120,000 for the
15. Refund of sales tax	Not specified. In case of repurchase, manufacturer shall refund consumer <i>full purchase price</i> . This presumably includes purchase price.
16. Enhanced damages	Not specified.
17. Attorney's fees	In case of replacement or repurchase, the manufacturer shall reimburse the owner for reasonable incidental costs, including attorney fees if the complainant retains counsel after notification that the respondent is represented by counsel.
18. Statute of limitations	A proceeding must be commenced within six months following the earlier of (1) expiration of the express warranty term, or (2) 24 months or 24,000 miles following the date of the vehicle's original delivery to a consumer.
19. Manufacturer- sponsored arbitration	Not specified.
20. State-sponsored arbitration	The Motor Vehicle Board shall cause the manufacturer to perform an obligation imposed by the lemon law.
21. Dealer liability	An order issued under the lemon law must name the person responsible for payment of the cost of any refund or replacement. No manufacturer, converter or distributor may cause any franchised dealer to pay directly or indirectly any sum not specifically ordered. If the final order requires a manufacturer, converter or distributor to refund or replace a motor vehicle because it meets lemon law criteria, the program may order the franchised dealer to reimburse the consumer, lienholder, manufacturer, converter, or distributor only for items or options added to the vehicle by the dealer and only to the extent that one or more of the items or options contributed to the defect that served as the basis for the refund or replacement.



TEXAS LEMON LAW SUMMARY		
22. Restrictions on	ctions on Lemon Law	
resale of returned vehicles	A manufacturer, converter or distributor that has been ordered to repurchase or replace a motor vehicle must issue a disclosure statement, through its franchised dealer, stating that the vehicle was repurchased or replaced under the lemon law. The statement must accompany the vehicle through the first retail purchase, and must include a toll-free telephone number of the Motor Vehicle Board that will enable a purchaser of a repurchased or replaced vehicle to obtain information about the condition or defect that was the basis for the repurchase or replacement.	
	The manufacturer, converter or distributor must restore the cause of the repurchase or replacement to factory specifications and issue a new 12-month/12,000-mile warranty on the vehicle.	
	Regulations	
	A manufacturer, converter or distributor that replaces or repurchases a vehicle pursuant to an order issued by the final order authority, then the manufacturer, converter, or distributor shall, prior to the resale of such motor vehicle, retitle the vehicle in Texas and shall: (1) issue a disclosure statement on a form provided by or approved by the department; and (2) affix a department-approved disclosure label in a conspicuous location in or on the motor vehicle., Both the statement and label must accompany the vehicle through the first retail purchase. No manufacturer, converter, distributor, or franchised dealer may remove or cause the removal of the disclosure label until delivery of the vehicle to the first retail purchaser. Within 60 days of each transfer, a manufacturer, converter, or distributor must provide the department in writing the name, address and telephone number of any transferee, regardless of residence, to whom the manufacturer, converter or distributor transfers the vehicle. The selling dealer must return the completed disclosure statement to the board within 60 days of the retail sale of a reacquired vehicle.	
	and issue a basic warranty of 12-months/12,000-miles, except for non-original equipment manufacturer items or accessories. The warranty must be provided to the first retail purchaser.	
23. Point of sale notice of lemon law rights	The department shall prepare, publish, and distribute information concerning a consumer's rights under the lemon law. The retail seller of a new motor vehicle shall conspicuously post a copy of the information in the area where its customers usually pay for repairs.	
24. Limitation on waiver	A contractual provision that excludes or modifies the remedies provided by the lemon law is prohibited and is void as against public policy unless the exclusion or modification is made under a settlement agreement between the consumer and the manufacturer, converter or distributor.	