

Lemon Law Gives Consumers Millions in Relief

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AUSTIN — Consumers purchasing or leasing defective new vehicles received \$7.6 million in relief through the Texas Lemon Law in 2008 and more than \$101.6 million in relief since 1993.

The 2008 Lemon Law report, released by the Texas Department of Transportation's (TxDOT) Motor Vehicle Division (MVD), lists number of complaints filed, defects reported and complaint disposition. Since consumers usually have owned a motor vehicle at least one year prior to filing a Lemon Law complaint, the downturn in new motor vehicle sales in Texas, which many agree started in mid to late 2008, did not significantly impact the 2008 report.

Of the 629 complaints closed last year, 57.7 percent of consumers received some form of relief for defective vehicles—29.6 percent had their vehicles repurchased, replaced or traded by the manufacturer and an additional 28.1 percent received repairs, extended service contracts or other remedies. Consumers complained most frequently about engine performance and emissions, or the electrical system.

"The numbers indicate the Lemon Law continues to do what it is intended to do — help consumers with defective vehicles get relief," said Brett Bray, director of TxDOT's Motor Vehicle Division.

Under the Lemon Law, TxDOT's Motor Vehicle Division can order a vehicle replaced, repurchased or repaired by the manufacturer. Some manufacturers choose to settle complaints rather than contesting them at a formal hearing. The report shows Chrysler LLC and General Motors Corporation continued a trend of resolving more complaints prior to hearing.

The Texas Lemon Law covers new or leased vehicles, including cars, trucks, vans, motorcycles, mopeds, all-terrain vehicles, motor homes and towable recreational vehicles. The Lemon Law Rules require that a manufacturer, distributor, or converter re-title a reacquired vehicle. The re-titling requirement facilitates enforcement of disclosure requirements and hinders what is known as "lemon laundering" or "title washing." In the near future, the title will include a notice sufficient to inform a prospective purchaser that the vehicle was reacquired by the manufacturer under the Lemon Law.

State law also requires manufacturers to issue a disclosure statement and hang the disclosure label from the view mirror and in the event that the vehicle does not have a rear view mirror the disclosure label must be affixed in a conspicuous location on vehicles ordered repurchased, replaced or reacquired to settle a Lemon Law complaint. The disclosure requirements are also mandatory for vehicles reacquired under another state's Lemon Law and transferred to Texas for resale.

To obtain a copy of the [2008 Lemon Law Report](#) or a consumer handbook on the Texas Lemon Law contact TxDOT's Motor Vehicle Division at (512) 416-4800, 1-800-622-8682 or visit our [Lemon Law publications page](#).