CHAPTER 11.
LEMON LAW REQUIREMENTS

11.1 Lemon Law or Warranty Performance Obligations. The Texas Lemon Law applies to new vehicles purchased from Texas franchise dealers or leased from licensed lessors. Recent legislative changes allow for vehicles bought new in other states and registered in Texas to be eligible for relief. Active duty military service members stationed in Texas are also eligible to file for lemon law relief for eligible vehicles. Towable recreational vehicles must be titled and registered in this state. There is no lemon law relief for used vehicles purchased with no balance of a manufacturer's warranty. A consumer may apply under the Lemon Law to have a vehicle repaired, repurchased or replaced by the manufacturer. Details on the process may be found on the TxDMV web site.

11.2 Notice at Time of Sale. When a franchise dealer sells a new vehicle, Texas law requires that the dealer provide notice of the lemon law complaint procedures to the consumer. This requirement is not satisfied by pointing out the lemon law provisions in the manufacturers' owner's manual. The proper notice at the point of sale to furnish the buyer must be approved by the Lemon Law Section of the Enforcement Division. Approved notice that the dealer is required to give the consumer at the time of sale may be found on page 11-2. Copies of the notice may be downloaded from the TxDMV web site and printed on yellow paper.

11.3 Dealer Must Post Notices. In addition to handing the consumer the notice mentioned in 11.2 above, all franchise dealers are required to post a lemon law notice in a conspicuous place in the cashier area of the service department. Failure to have such notice posted may result in an enforcement action if discovered by an Enforcement Division inspector during a dealer visit. Approved notice that the dealer is required to post in the cashier area may be found on page 11-3. Copies of the notice are available from the Lemon Law Section of the Enforcement Division or may be downloaded from the TxDMV web site and printed on yellow paper.

11.4 Reselling Lemons. When a dealer buys a vehicle that was a manufacturer buyback, there is a lemon law reacquired vehicle label hanging from the rear view mirror (or, if no rear view mirror, affixed in a conspicuous location) that must stay on the vehicle until after the first retail sale. Also, there is a disclosure statement issued by the manufacturer stating the vehicle was repurchased or replaced by the manufacturer under the Texas law. Manufacturers are required to restore the cause of the repurchase or replacement to factory specifications and issue a new 12-month, 12,000-mile warranty on the vehicle. Removal of the hanging label before the retail sale or failure to return the disclosure statement to the MVD after the retail sale, are violations for which the dealer would be responsible. The disclosure statement must be on a form approved by MVD, or on the form provided by MVD. These disclosure requirements apply also to vehicles transferred to Texas for resale that were reacquired by a manufacturer in another state to settle a warranty claim.

Notice of Complaint Procedure for New Vehicle Owners and Lessees

The Texas Legislature enacted the "lemon law" (Texas Occupations Code Subchapter M) to aid owners and lessees of new motor vehicles (including towable recreational vehicles) regarding a manufacturer's, distributor's or converter's warranty obligations. Under the law, vehicle manufacturers, converters, and distributors are required to repair any defects that are covered by warranty. If the defects cannot be repaired, an owner or lessee may be entitled to repurchase of the vehicle or a replacement vehicle if the following conditions are met:

1. the new motor vehicle develops a defect or abnormal condition which is covered by a manufacturer's, distributor's or converter's written warranty;

2. the owner or lessee reports the defect or condition within the warranty term;

3. the owner or lessee gives the dealer, manufacturer, distributor or converter a "REASONABLE NUMBER OF ATTEMPTS" to repair the defect or condition (the number of repair attempts required depends on the nature of the defect);

4. the owner or lessee gives the manufacturer, distributor or converter written notice of the defect and at least one opportunity to repair it;

5. the defect or condition continues and it substantially impairs the vehicle's use or value or creates a serious safety hazard; and

6. a written complaint with a filing fee of $35 is filed with the Texas Department of Motor Vehicles, Enforcement Division NOT LATER THAN SIX MONTHS AFTER the earliest of : (a) the expiration of the warranty term; or (b) 24 months after the delivery date of the vehicle; or (c) 24,000 miles after the delivery date of the vehicle. (In general, mileage limitations do not apply to towable recreational vehicles).

If you are unable to obtain the repair or correction of any defect in your new motor vehicle (including a towable recreational vehicle) which is covered by the vehicle warranty, the Texas Department of Motor Vehicles, Enforcement Division may be able to assist you.

The Texas Occupations Code, §2301.204 provides as follows:

> The owner of a motor vehicle or the owner's designated agent may make a complaint concerning defects in a motor vehicle which are covered by the manufacturer's, converter's or distributor's warranty agreement applicable to the vehicle. Any such complaint must be made in writing to the applicable dealer, manufacturer, converter, or distributor and must specify the defects in the vehicle which are covered by the warranty. The owner may also invoke the Division's jurisdiction by sending the Division a copy of the complaint. A hearing may be scheduled on all complaints arising under this subsection which are not privately resolved between the owner and the dealer, manufacturer, converter, or distributor.

NOTICE TO BUYER

TEXAS LEMON LAW
TEXAS OCCUPATIONS CODE, CHAPTER 2301, SUBCHAPTER M

The Texas "LEMON LAW" provides simple and inexpensive help for consumers who own defective new vehicles. Owners or lessees of new vehicles, including towable recreational vehicles (TRVs), who have repeated warranty repairs on their vehicles, may file a complaint with the Enforcement Division if the vehicle is less than 30 months old and is within certain time and mileage limits. To qualify for relief, the vehicle must be presented for repairs, in most cases, at least 2 times during the first 12 months or 12,000 miles after delivery and 2 more times during the next 12 months or 12,000 miles, whichever occurs first. Mileage limitations generally do not apply to TRVs. If the defects cannot be corrected, owners or lessees of "LEMONS" are entitled to have their vehicles repurchased or replaced by the manufacturer.

In general, a "LEMON" is a vehicle that continues to have uncorrected defects after having been subject to repair a reasonable number of times and the defects seriously affect the use, value, or safety of the vehicle.

Complaints under the "LEMON LAW" must be filed with the Enforcement Division within certain time limits. A filing fee is required, but will be reimbursed if the vehicle is found to be a "LEMON."

Because the filing deadline and other requirements of the "LEMON LAW" are very specific, call the Enforcement Division for more information or for assistance concerning warranty repair problems at **(512) 465-3000** or **1-888-368-4689**.

(Texas Occupations Code, §2301.613 requires this notice to be conspicuously posted in the cashier area of the franchised dealer's service department.)

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