

CHAPTER 11.

LEMON LAW REQUIREMENTS

11.1 Lemon Law or Warranty Performance Obligations. The Texas Lemon Law only applies to new vehicles purchased from Texas franchised dealers or leased from licensed lessors. Vehicles bought new in other states and brought to Texas are not eligible for this relief. 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 in the copy of the brochure reprinted on Page 11-2 and 11-3.

11.2 Notice at Time of Sale. When a franchised 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' owners manual. The proper notice to furnish the buyer must be approved by the Consumer Affairs Section of the MVD. Consumer Affairs has provided two different approved notices that the dealer is required to give the consumer at the time of sale. Both of those notices may be found on Page 11-4 and Page 11-6 herein.

11.3 Dealer Must Post Notices. In addition to handing the consumer one of the two notices mentioned in 11.1 above, all franchise dealers are required to post the lemon law notice in a conspicuous place in the cashier area of the service department. A copy of that notice is shown on page 11-6. Copies of this notice and the two mentioned above should be on yellow paper and are available from the Consumer Affairs Section of the MVD or may be downloaded from the TxDOT web site and printed on yellow paper.

11.4 Reselling Lemons. When a dealer buys a vehicle, usually through an auction, that was a manufacturer buy-back, 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 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. This disclosure statement must remain with the vehicle through the first retail purchase. 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.

TEXAS
LEMON LAW NOTICE
to New Motor Vehicle
Buyers & Lessees*

TEXAS DEPARTMENT OF MOTOR VEHICLES
MOTOR VEHICLE DIVISION
1-800-622-8682

<http://www.txdot.gov>

Email: lemonlaw@dmv.state.tx.us

*Required by Occupations Code Chapter 2301.601 et seq & 43 TAC §8.202

HOW DOES THE LEMON LAW WORK?

The Texas “Lemon Law”* is a state law administered by the Texas Department Motor Vehicles (TxDMV) that helps consumers who buy or lease **new**** motor vehicles from Texas dealers or lease companies and have repeated problems getting their vehicles properly repaired. The Lemon Law can help a consumer get the vehicle repurchased, replaced or repaired. It can be less complicated and less expensive than going to court.

WHAT DOES IT COVER?

New vehicles, including cars, trucks, vans, motorcycles, all-terrain vehicles, motor homes and Towable Recreational Vehicles (TRVs) that develop problems covered by a **manufacturer’s written warranty**. Demonstrator vehicles are considered new vehicles.

* Occupations Code Chapter 2301.601 et seq

**The relief available to used motor vehicle buyers is limited to repairs only, if the vehicle is still under the original manufacturer’s warranty. TRV’s must be titled and registered in Texas.

HOW DO I KNOW IF I OWN OR LEASE A LEMON?

The vehicle must meet the following conditions:

1. It has a serious defect or abnormal condition.
2. The defect or condition is covered by a manufacturer’s written warranty.
3. The owner reports the defect or condition to the dealer or manufacturer within the warranty term.
4. The owner gives the dealer a reasonable number of attempts to repair the defect or condition.
5. The owner gives the manufacturer (preferably by certified mail) written notice of the defect and at least one opportunity for repair.
6. The defect or condition persists and substantially impairs the vehicle’s use or market value, or creates a serious safety hazard.
7. The owner files a timely Lemon Law complaint and pays the filing fee.

HOW LONG DO I HAVE TO FILE A LEMON LAW COMPLAINT?

A Lemon Law complaint **must** be filed within six months following the **earlier** of:

1. **expiration** of the express warranty term;
2. **24 months** after purchase; or

3. **24,000 miles** following the date of delivery of the vehicle (except TRVs).

In other words, the filing period is determined by which of the above events comes first. To be safe, the complaint should be filed as soon as the consumer realizes the dealer is having problems repairing the vehicle.

WHAT SHOULD A LEMON OWNER DO?

Send written notice, by certified mail, to the manufacturer, offering an opportunity to repair the vehicle.

1. Obtain a repair order from the dealer each time the vehicle is taken in for repairs, even if the problem can't be diagnosed or fixed.
2. Ask TxDMV's Motor Vehicle Board (MVB) for a copy of the Lemon Law handbook (including complaint form and warranty repair log) or visit the website to view the handbook and to download the forms. The current Lemon Law Annual Report is also available for review on the website.
3. Begin gathering documents (buyer's order, repair orders, warranty booklet, etc.).
4. File a written complaint with the MVB and pay the \$35.00 filing fee.

WHAT ELSE SHOULD I KNOW?

If the vehicle is not repaired, TxDOT may send a technical expert to meet with the consumer and the manufacturer to help settle the dispute. If the complaint is still not settled, the matter will be referred to the State Office of Administrative Hearings (SOAH) for a hearing. At the hearing, the consumer will have to prove to the administrative law judge that the vehicle is a lemon. TxDMV's goal is to issue a final order within 150 days after the complaint is filed and the filing fee is paid. If the final order is in favor of the consumer, the manufacturer will be required to repurchase or replace the vehicle, less a reasonable allowance for use (RAFU), plus specified incidental expenses. (See the handbook for an explanation of the RAFU calculation and incidental expenses).

To obtain a Lemon Law Complaint Form and handbook visit our website:

<http://www.dmv.state.tx.us>

or call:

1-800-622-8682

or write to:

TxDMV Motor Vehicle Division

P. O. Box 2293

Austin, TX 78768-2293

WHO CAN I CALL FOR HELP?

TxDMV's Motor Vehicle Division, Consumer Affairs Section, for Lemon Law information, at:
1-800-622-8682

TxDMV's Motor Vehicle Division, Enforcement Section, to file a non-Lemon Law complaint (fraud, ad violation, brokering, odometer rollback, etc.) against a dealer or manufacturer at:
1-800-687-7846 (Statewide)

TEXAS LEMON LAW
NOTICE TO NEW MOTOR VEHICLE OWNERS & LESSEES

The Texas Legislature enacted the “lemon law” (Occupations Code Chapter 2301.601 et seq.) 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 a repurchase of the vehicle or a replacement vehicle if the following conditions are met:

If a new motor vehicle

1. 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, and
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, and
4. the owner or lessee gives the manufacturer, distributor or converter written notice of the defect and at least one opportunity to repair it, and
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 filing fee of \$35.00 is filed with the Texas Department of Motor Vehicles, Motor Vehicle Division **NOT LATER THAN SIX MONTHS AFTER** the earliest of: (i) the expiration of the warranty term; or (ii) 24 months after the delivery date of the vehicle; or (iii) 24,000 miles after the delivery date of the vehicle. (In general, mileage limitations do not apply to towable recreational vehicles).

To file a complaint or obtain additional information, call or write to:

Texas Department of Motor Vehicles
Motor Vehicle Division
P. O. Box 2293
Austin, Texas 78768-2293
512.416.4800
1.800.622.8682

(Front Page of Notice)

NOTICE TO
NEW MOTOR VEHICLE OWNERS & LESSEES

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, Motor Vehicle Division may be able to assist you.

Occupations Code Chapter 2301.204, et seq., 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.”

Complaints involving new motor vehicle warranty repair problems should be in writing, stating the details of the complaint and sent to:

Texas Department of Motor Vehicles
Motor Vehicle Division
Consumer Affairs Section
Post Office Box 2293
Austin, Texas 78768-2293

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(Back Page of Notice)

TEXAS "LEMON LAW"

TEXAS DEPARTMENT OF MOTOR VEHICLES
MOTOR VEHICLE DIVISION, CONSUMER AFFAIRS SECTION
P.O. BOX 2293, AUSTIN, TEXAS 78768

NOTICE TO NEW MOTOR VEHICLE OWNERS
TEXAS "LEMON LAW", Occupations Code Chapter 2301.601

The Texas "LEMON LAW" provides simple and inexpensive help for consumers who purchase or lease defective new vehicles, including towable recreational vehicles (TRVs), from Texas dealers or lease companies. Owners or lessees having repeated warranty repairs on their vehicles may file a complaint with the Motor Vehicle 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. In general, mileage limitations 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 Motor Vehicle 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 Motor Vehicle Division for more information or for assistance concerning warranty repair problems at **(512) 416-4800** or **1-800-622-8682** or visit our website at

http://www.dmv.state.tx.us/protection/lemon_law.htm

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

(NOTICE FOR CASHIER'S AREA)