

BILL ANALYSIS

C.S.H.B. 2652
By: Harless
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Texas Lemon Law is a consumer protection statute designed to provide purchasers and lessees of motor vehicles covered by warranties with additional protection from chronically malfunctioning vehicles, or "lemons." The law is found primarily in Subchapter M, Chapter 2301, Occupations Code (Sections 2301.601-2301.613), but Section 2301.204, Occupations Code also provides a procedure for filing a general warranty complaint with the Texas Department of Transportation. The statute covers cars, trucks, vans, motorcycles, all-terrain vehicles, and towable recreational vehicles.

The Lemon Law was first enacted in 1983 and at that time applied to all motor vehicles that were under warranty. In 1999 the legislature limited the application of the law to vehicles that are purchased from licensed Texas dealers.

As a result of the 1999 changes, the law no longer applies to new motor vehicles that were purchased or leased outside of the state. Therefore, new residents of the state, short-term residents, and non-resident military personnel who are stationed in Texas are not provided the protections of the Lemon Law.

The purpose of CSHB 2652 is to expand the application of the state's Lemon Law to apply to certain motor vehicles that are under warranty but not currently covered by that law.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Section 2301.002(23), Occupations Code, to remove the requirement that an all-terrain vehicle be titled to be considered a motor vehicle. Amends Section 2301.002(32), Occupations Code, to modify the definition of "towable recreational vehicle."

SECTION 2. Amends Section 2301.601(2), Occupations Code, to change the definition of "owner" for the purposes of the Lemon Law to include a person who purchased or leased a new motor vehicle out of state and has registered it in Texas and a person who purchased or leased a new motor vehicle and is an active duty member of the military stationed in Texas whether or not the vehicle is registered in this state.

SECTION 3. Provides for immediate effect of the bill and provides that if the bill does not receive the vote necessary for immediate effect, it takes effect September 1, 2007.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The intent of CSHB 2652 is unchanged from the original. However, Legislative Council made non-substantive editing and formatting changes.