

BILL ANALYSIS

Senate Research Center
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H.B. 2110
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

When ownership of a home is transferred to the new owner after a sale, the manufacturer's warranty attached to the home's air conditioning system may legally be considered void. Typically, manufacturers will honor the warranty on an air conditioning system even if the ownership of the property has changed hands. This is a common practice in the industry, but it is not required of manufacturers. Some manufacturers require owners to complete a transfer of warranty form and pay a fee to transfer the warranty upon sale of a property. H.B. 2110 seeks to protect consumers and homeowners by providing for the automatic transfer of a manufacturer's warranty on an air conditioning system or a component of that system when residential real property is conveyed to a new owner.

H.B. 2110 amends current law relating to the automatic transfer of manufacturer's warranties on air conditioning systems conveyed with residential real property.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 12, Business & Commerce Code, by adding Chapter 608, as follows:

CHAPTER 608. MANUFACTURER'S WARRANTIES ON AIR CONDITIONING SYSTEMS

Sec. 608.001. DEFINITIONS. Defines "air conditioning system," "residential real property," and "warrantor."

Sec. 608.002. TRANSFER OF MANUFACTURER'S WARRANTY. (a) Provides that if residential real property that includes an air conditioning system as a fixture to the property is conveyed to a new owner, a manufacturer's warranty in effect on that system or a component of that system on the date of the conveyance is automatically transferred to the new owner, and continues in effect as if the new owner was the original purchaser of the system or component, as applicable.

(b) Provides that a warrantor continues to be obligated under the terms of a manufacturer's warranty agreement for a warranty transferred under this section and is prohibited from charging a fee for the transfer of the warranty.

(c) Provides that the transfer of a manufacturer's warranty under this section does not extend the original term of the warranty agreement.

SECTION 2. Provides that the change in law made by this Act applies only to a warranty agreement entered into or renewed on or after the effective date of this Act. Provides that a warranty agreement entered into or renewed before the effective date of this Act is governed by the law in effect on the date the agreement was entered into or renewed, and the former law is continued in effect for that purpose.

SECTION 3. Effective date: September 1, 2021.