

BILL ANALYSIS

H.B. 2110
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Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

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.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

H.B. 2110 amends the Business & Commerce Code to establish that a manufacturer's warranty on an air conditioning system or a component of that system is automatically transferred to a new owner and continues in effect as if the new owner were the original purchaser of the system or component, as applicable, if the system is included as a fixture to residential real property that is conveyed to that new owner and the warranty is in effect on the date of the conveyance. The bill continues a warrantor's obligation under the terms of a manufacturer's warranty agreement for such a transferred warranty and prohibits the warrantor from charging a fee for the transfer. The transfer of a warranty does not extend the original term of the warranty agreement.

EFFECTIVE DATE

September 1, 2021.