

## **BILL ANALYSIS**

C.S.H.B. 2070  
By: Smithee  
Transportation  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties have raised concerns that the various standards for establishing a rebuttable presumption to prove that a vehicle owner has made a reasonable number of attempts to repair a vehicle before it is eligible for a claim against a warranty under the Texas “Lemon Law” can be confusing to vehicle owners and others involved in the process. Additional concerns have been reported regarding the process for notifying a vehicle manufacturer or distributor of the vehicle's alleged defects. C.S.H.B. 2070 aims to address these concerns by simplifying related procedures.

### **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**

C.S.H.B. 2070 amends the Occupations Code to change certain deadlines associated with the conditions that establish a rebuttable presumption that a reasonable number of attempts have been undertaken to conform a motor vehicle to an applicable express warranty so that the presumption is established if: the same nonconformity continues to exist after being subject to repair four or more times by the manufacturer, converter, or distributor or an authorized agent or franchised dealer of a such an entity and the attempts were made before the earlier of the date the express warranty expires or 24 months or 24,000 miles, whichever occurs first, following the date of original delivery of the motor vehicle to the owner; the same nonconformity creates a serious safety hazard and continues to exist after causing the vehicle to have been subject to repair two or more times by the manufacturer, converter, or distributor or an authorized agent or franchised dealer of such an entity and the attempts were made before the earlier of the date the express warranty expires or 24 months or 24,000 miles, whichever occurs first, following the date of original delivery of the motor vehicle to the owner; or a nonconformity still exists that substantially impairs the vehicle's use or market value, the vehicle is out of service for repair for a cumulative total of 30 or more days, and the attempts were made before the earlier of the date the express warranty expires or 24 months or 24,000 miles, whichever occurs first, following the date of original delivery of the motor vehicle to the owner.

C.S.H.B. 2070 reenacts and amends certain Occupations Code provisions, as amended by Chapters 1135 (H.B. 2741) and 1379 (H.B. 1692), Acts of the 83rd Legislature, Regular Session, 2013, to conform to changes made by Chapter 1379 (H.B. 1692), Acts of the 83rd Legislature, Regular Session, 2013, removing references to the director of the Texas Department of Motor Vehicles (TxDMV) division that regulates the distribution and sale of motor vehicles as the

specified person who holds proceedings and issues orders under statutory provisions relating to motor vehicle warranties and vehicle owner rights and replacing certain references to the board of TxDMV in those provisions with references to TxDMV. The bill includes TxDMV as a possible provider of written notice of an alleged vehicle defect or nonconformity to the manufacturer, converter, or distributor that constitutes one of the requisite conditions of an order requiring a manufacturer, converter, or distributor to make a refund or to replace a motor vehicle and removes the specification that such notice is mailed.

**EFFECTIVE DATE**

September 1, 2017.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 2070 differs from the original in minor or nonsubstantive ways by conforming to certain bill drafting conventions.