

## TEXAS LEMON LAW SUMMARY

| <b>EXECUTIVE SUMMARY</b>                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| <b>TIME PERIOD FOR FILING CLAIMS</b>                           | <p>A proceeding must be commenced within six months following the earlier of</p> <p>(1) expiration of the express warranty term, or</p> <p>(2) 24 months or 24,000 miles following the date of the vehicle's original delivery to a consumer.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>ELIGIBLE VEHICLE</b>                                        | <p>(1) A self-propelled vehicle that has two or more wheels and has as its primary purpose the transport of persons or property on a public highway;</p> <p>(2) a self-propelled, titled vehicle that has two or more wheels and has as its primary purpose the off-road transportation of persons or property; or</p> <p>(3) an engine, transmission, or rear axle manufactured for installation in a vehicle of more than 16,000 pounds GVWR and having as its primary purpose the transport of persons or property on a public highway; or</p> <p>(4) a towable recreational vehicle.</p>                                                                                                                                                                                                                 |
| <b>ELIGIBLE CONSUMER</b>                                       | <p>"Owner" is a person who is entitled to enforce a manufacturer's warranty with respect to a motor vehicle, and is one of the following:</p> <p>A. purchased the motor vehicle at retail from a license holder;</p> <p>B. is a lessor or lessee, other than a sublessee, who purchased or leased the vehicle from a license holder;</p> <p>C. is a resident of this state and has registered the vehicle in this state;</p> <p>D. purchased or leased the vehicle at retail and is an active duty member of the United States armed forces stationed in this state at the time a proceeding is commenced under this subchapter; or</p> <p>E. the transferee or assignee of a person described by Paragraphs (A)-(D); a resident of this state; and the person who registered the vehicle in this state.</p> |
| <b>TIME PERIOD FOR FIRST OCCURRENCE OR NOTICE</b>              | Express warranty period.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>TIME PERIOD FOR REASONABLE NUMBER OF ATTEMPTS TO REPAIR</b> | <p>Earlier of</p> <p>(1) expiration of the express warranty, or</p> <p>(2) 24 months or 24,000 miles, whichever occurs first, following original delivery to the owner.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>PRESUMPTION OR DEFINITION</b>                               | <p><b>Presumption:</b></p> <p>(1) four or more repair attempts to same nonconformity;</p> <p>(2) two or more repair attempts to same serious safety nonconformity; or</p> <p>(3) out of service for repair for 30 or more days.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

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**Please direct specific questions to your legal counsel.**  
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|                                    | Note: The 30-day period does not include any period during which the manufacturer or distributor lends a comparable motor vehicle to the consumer during the time of repairs by a franchised dealer. |
| <b>NOTICE TO MANUFACTURER</b>      | Before a refund or replacement may be ordered; written notice.                                                                                                                                       |
| <b>FINAL OPPORTUNITY TO REPAIR</b> | Before a refund or replacement may be ordered.                                                                                                                                                       |

**EXECUTIVE SUMMARY CONTINUED**

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| <b>REASONABLE ALLOWANCE</b>               | <p>A reasonable allowance for use applies to both repurchase and replacement. The reasonable allowance is the amount directly attributable to use of the motor vehicle when the vehicle is not out of service for repair.</p> <p>Miles before first report, divided by 120,000 and multiplied by purchase price or lessor's purchase price; plus miles after first report, divided by 120,000 and multiplied by 50% of purchase price or lessor's purchase price.</p> |
| <b>DISPUTE RESOLUTION</b>                 | <p>A consumer seeking repurchase or replacement must first file a complaint with the Texas Department of Motor Vehicles and complete its administrative hearing process. Lemon Law refund or replacement relief is available in a court action against a manufacturer, converter, or distributor under the Texas Deceptive Trade Practices Act only after the consumer has exhausted these administrative remedies.</p>                                               |
| <b>DISCLOSURE TO SUBSEQUENT PURCHASER</b> | <p>Yes.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>TITLE BRANDING</b>                     | <p>Yes.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

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| <b>TEXAS LEMON LAW SUMMARY</b>                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <b>1. Citation</b>                                           | Tex. Occ. Code Ann. §§ 2301.001 (definitions), 2301.601–2301.613; 43 Tex. Admin. Code §§ 224.230–224.268.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>2. Motor vehicle covered</b>                              | <ul style="list-style-type: none"> <li>(1) Every fully self-propelled vehicle that has two or more wheels and has as its primary purpose the transport of persons or property on a public highway;</li> <li>(2) Every fully self-propelled, titled vehicle that has two or more wheels and has as its primary purpose the off-road transportation of persons or property and meets the requirements for a certificate of title;</li> <li>(3) An engine, transmission, or rear axle, whether or not attached to a vehicle chassis, that is manufactured for installation in a vehicle having as its primary purpose the transport of persons or property on a public highway and having a gross vehicle weight rating of more than 16,000 pounds; or</li> <li>(4) A towable recreational vehicle.</li> </ul>     |
| <b>3. Consumer covered</b>                                   | <p>Definition: A person who is entitled to enforce a manufacturer’s warranty with respect to a motor vehicle, and is one of the following:</p> <ul style="list-style-type: none"> <li>(1) A person who purchases a motor vehicle at retail from a license holder;</li> <li>(2) The lessor or lessee (other than a sublessee) who purchased or leased a motor vehicle from a license holder;</li> <li>(3) A person who is a resident of Texas and has registered the vehicle in Texas;</li> <li>(4) A person who purchased or leased the vehicle at retail and is an active member of the U.S. armed forces stationed in Texas at the time the claim is filed; or</li> <li>(5) The transferee or assignee of a person described in (1)-(4), a resident of Texas, and registered the vehicle in Texas.</li> </ul> |
| <b>4. Nonconformity defined</b>                              | <p>Not defined. Any defect or condition that creates a serious safety hazard, substantially impairs the use or market value of the motor vehicle, or continues to exist after four or more repair attempts is referred to as a nonconformity.</p> <p>“Serious safety hazard” is defined as a life-threatening malfunction or nonconformity that: (1) substantially impedes a person’s ability to control or operate a motor vehicle for ordinary use or intended purposes; or (2) creates a substantial risk of fire or explosion.</p> <p>“Impairment of market value” is defined as a substantial loss in market value caused by a defect specific to the motor vehicle.</p>                                                                                                                                   |
| <b>5. Warranty defined</b>                                   | Not defined.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>6. Lemon law rights period</b>                            | Not specified.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>7. Manufacturer’s obligation to repair</b>                | <p>If a new motor vehicle does not conform to the manufacturer’s, converter’s, or distributor’s express warranty, then the manufacturer, converter or distributor must make the necessary repairs.</p> <p>The necessary repairs must be made after the applicable warranty period has expired if:</p> <ul style="list-style-type: none"> <li>(1) The consumer or the consumer’s agent reports the nonconformity to the manufacturer, converter, or distributor, or any of their agents or franchised dealers during the term of the express warranty; or</li> <li>(2) The terms of the <i>presumption</i> relating to the vehicle (see below) have been met.</li> </ul>                                                                                                                                         |
| <b>8. Manufacturer’s obligation to repurchase or replace</b> | <p>If the manufacturer, converter, or distributor is unable to conform the motor vehicle to the applicable express warranty by repairing or correcting a defect or condition that creates a serious safety hazard or substantially impairs the use or market value of the motor vehicle after a reasonable number of attempts, the manufacturer, converter, or distributor must either replace or repurchase the motor vehicle.</p>                                                                                                                                                                                                                                                                                                                                                                             |

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| <b>9. Criteria for reasonable number of repair attempts</b>        | <p>Presumed if any of the following occurs:</p> <p>(1) 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 manufacturer, converter, or distributor, and the attempts were made before the earlier of:</p> <p>A. the date the express warranty expires; or</p> <p>B. 24 months or 24,000 miles, whichever occurs first, following the date of original delivery of the motor vehicle to the owner;</p> <p>(2) The same nonconformity creates a serious safety hazard and continues to exist after being subject to repair two or more times by the manufacturer, converter, or distributor or an authorized agent or franchised dealer of a manufacturer, converter, or distributor, and the attempts were made before the earlier of:</p> <p>A. the date the express warranty expires; or</p> <p>B. 24 months or 24,000 miles, whichever occurs first, following the date of original delivery of the motor vehicle to the owner;</p> <p>(3) A nonconformity that substantially impairs the vehicle's use or market value still exists and the vehicle is out of service for repair for a cumulative total of 30 or more days before the earlier of:</p> <p>A. the date the express warranty expires; or</p> <p>B. 24 months or 24,000 miles, whichever occurs first, following the date of original delivery of the motor vehicle to the owner</p> <p>A period or a number of days or miles described in (1)–(3) is extended for any period that repair services are not available to the consumer because of war, invasion, strike, fire, flood, or other natural disaster.</p> <p>The 30-day period does not include any period during which the manufacturer or distributor lends a comparable motor vehicle to the consumer during the time of repairs by a franchised dealer.</p> |
| <b>10. Notice of nonconformity and final opportunity to repair</b> | <p>The manufacturer, converter, or distributor will not be required to replace or repurchase a vehicle unless:</p> <p>(1) The consumer, a person on behalf of the consumer, or the Texas Department of Motor Vehicles provided written notice of the alleged nonconformity or defect to the manufacturer, converter, or distributor; and</p> <p>(2) The manufacturer, converter, or distributor has been given an opportunity to cure the alleged defect or nonconformity.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>11. Affirmative defenses</b>                                    | <p>It is an affirmative defense that the nonconformity:</p> <p>(1) Is the result of abuse, neglect, or unauthorized modifications or alterations of the motor vehicle, or</p> <p>(2) Does not substantially impair the use or market value of the motor vehicle.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

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### 12. Refund

#### **Purchased vehicle**

Refund consists of:

- (1) The full purchase price. The Texas Department of Motor Vehicles defines the purchase price as the total purchase price of the motor vehicle, excluding the amount of any interest, finance charge, or insurance premiums. TxDMV indicates that the purchase price includes applicable taxes, title, and license fees;
- (2) Reasonable and verifiable incidental costs resulting from loss of use of the motor vehicle because of the nonconformity or defect. Reimbursable incidental expenses include, but are not limited to:
  - (a) alternate transportation;
  - (b) towing;
  - (c) telephone calls or mail charges directly attributable to contacting the manufacturer, distributor, converter, or dealer regarding the vehicle;
  - (d) meals and lodging necessitated by the vehicle's failure during out-of-town trips;
  - (e) loss or damage to personal property;
  - (f) attorney fees if the complainant retains counsel after notification that the respondent is represented by counsel; and
  - (g) items or accessories added to the vehicle at or after purchase, less a reasonable allowance for use. In determining reimbursement for such items or accessories, consideration is given to the permanent nature, functionality, and value added by the items or accessories and whether the items or accessories are original equipment manufacturer (OEM) parts or non-OEM parts;
- (3) Reimbursement of the Lemon Law complaint filing fee; and
- (4) Less a reasonable allowance for the consumer's use of the vehicle.

Refunds must be made to the consumer and lienholder, if any, in proportion to their interests in the vehicle.

#### **Leased vehicle**

Refund consists of:

To the lessee:

- (1) All lease payments previously paid by the lessee to the lessor under the terms of the lease;
- (2) All sums previously paid to the lessor in connection with entering into the lease agreement, including, but not limited to, any capitalized cost reduction, down payment, trade-in, or similar cost;
- (3) Sales tax, license and registration fees, and other documentary fees, if applicable;
- (4) Reimbursement of the Lemon Law complaint filing fee; and
- (5) Less a reasonable allowance for the consumer's use of the vehicle.

To the lessor:

- (1) The actual price paid by the lessor for the vehicle, including any tax, title, license, and documentary fees, if paid by the lessor and evidenced in a bill of sale, bank draft demand, tax collector's receipt, or similar instrument;
- (2) An additional 5% of the purchase price;
- (3) Any amount or fee paid by the lessor to secure the lease or interest in the lease; and
- (4) Less a credit for all payments made by the lessee.

Refunds must be made to the lessee, lessor, and any lienholder as their interests may appear.

The motor vehicle must be returned to the manufacturer, converter, or distributor with clear title upon payment of these amounts. The lessor must transfer title of the motor vehicle to the

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|                                 | manufacturer, converter, or distributor as necessary to effectuate the lessee's rights under the Lemon Law. The lease must be terminated without any penalty to the lessee.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |         |                                                                                                                  |                                                 |       |                |  |  |  |         |  |  |  |  |             |  |  |  |  |    |                                                                                                                            |       |   |                |       |  |  |         |  |  |  |    |                                                                                                                  |       |   |                                                 |  |  |  |         |  |  |  |  |             |  |  |  |  |    |                                                                                                                            |       |   |                             |       |
| 13. <b>Replacement</b>          | <p>(1) If replacement is ordered, the manufacturer, converter, or distributor must promptly authorize the exchange of the consumer's vehicle for the consumer's choice of a comparable motor vehicle.</p> <p>(2) The sales price of the comparable motor vehicle shall be its Manufacturer's Suggested Retail Price or Distributor's Suggested Retail Price (MSRP/DSRP), as applicable. The trade-in value of the consumer's vehicle shall be its MSRP/DSRP at the time of the original transaction, less a reasonable allowance for the consumer's use of the vehicle.</p> <p>(3) The consumer is responsible for payment or financing of the reasonable allowance for use, any outstanding liens on the consumer's vehicle, and applicable taxes and fees associated with the new sale of the comparable motor vehicle, excluding documentary fees.</p> <p>(4) If the comparable motor vehicle has a higher MSRP/DSRP than the consumer's vehicle, the consumer is responsible for paying or financing the difference. If the comparable motor vehicle has a lower MSRP/DSRP, the consumer is credited the difference, not to exceed the amount of the reasonable allowance for use.</p> <p>(5) The consumer is responsible for obtaining financing, if necessary, to complete the replacement transaction.</p> <p>(6) If the replacement transaction cannot be completed within the time specified in the final order, the manufacturer must repurchase the consumer's motor vehicle in accordance with the repurchase provisions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |         |                                                                                                                  |                                                 |       |                |  |  |  |         |  |  |  |  |             |  |  |  |  |    |                                                                                                                            |       |   |                |       |  |  |         |  |  |  |    |                                                                                                                  |       |   |                                                 |  |  |  |         |  |  |  |  |             |  |  |  |  |    |                                                                                                                            |       |   |                             |       |
| 14. <b>Reasonable allowance</b> | <p>A reasonable allowance for use applies to both repurchase and replacement.</p> <p>The reasonable allowance for a consumer's use of the vehicle must be that amount directly attributable to use of the motor vehicle when the vehicle is not out of service for repair. The Texas Department of Motor Vehicles has established a presumption that a motor vehicle has a useful life of 120,000 miles, and has defined reasonable allowance for use of a <b>purchased vehicle</b> to be the following except in cases where the preponderance of the evidence shows that the vehicle has a longer or shorter expected useful life than 120,000 miles:</p> <table border="0"> <tr> <td>a)</td> <td>miles vehicle traveled from delivery to consumer until first report of defect or condition leading to repurchase</td> <td>-----</td> <td>X</td> <td>Purchase Price</td> <td></td> </tr> <tr> <td></td> <td></td> <td>120,000</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td><b>plus</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>b)</td> <td>miles vehicle traveled after date of first report of defect or condition leading to repurchase through date of the hearing</td> <td>-----</td> <td>X</td> <td>Purchase Price</td> <td>X 50%</td> </tr> <tr> <td></td> <td></td> <td>120,000</td> <td></td> <td></td> <td></td> </tr> </table> <p>The Texas Department of Motor Vehicles has defined reasonable allowance for use of a <b>leased vehicle</b> to be the following except in cases where the preponderance of the evidence shows that the vehicle has a longer or shorter expected useful life than 120,000 miles:</p> <table border="0"> <tr> <td>a)</td> <td>miles vehicle traveled from delivery to consumer until first report of defect or condition leading to repurchase</td> <td>-----</td> <td>X</td> <td>Actual price paid by the lessor for the vehicle</td> <td></td> </tr> <tr> <td></td> <td></td> <td>120,000</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td><b>plus</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>b)</td> <td>miles vehicle traveled after date of first report of defect or condition leading to repurchase through date of the hearing</td> <td>-----</td> <td>X</td> <td>Actual price paid by lessor</td> <td>X 50%</td> </tr> </table> | a)      | miles vehicle traveled from delivery to consumer until first report of defect or condition leading to repurchase | -----                                           | X     | Purchase Price |  |  |  | 120,000 |  |  |  |  | <b>plus</b> |  |  |  |  | b) | miles vehicle traveled after date of first report of defect or condition leading to repurchase through date of the hearing | ----- | X | Purchase Price | X 50% |  |  | 120,000 |  |  |  | a) | miles vehicle traveled from delivery to consumer until first report of defect or condition leading to repurchase | ----- | X | Actual price paid by the lessor for the vehicle |  |  |  | 120,000 |  |  |  |  | <b>plus</b> |  |  |  |  | b) | miles vehicle traveled after date of first report of defect or condition leading to repurchase through date of the hearing | ----- | X | Actual price paid by lessor | X 50% |
| a)                              | miles vehicle traveled from delivery to consumer until first report of defect or condition leading to repurchase                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | -----   | X                                                                                                                | Purchase Price                                  |       |                |  |  |  |         |  |  |  |  |             |  |  |  |  |    |                                                                                                                            |       |   |                |       |  |  |         |  |  |  |    |                                                                                                                  |       |   |                                                 |  |  |  |         |  |  |  |  |             |  |  |  |  |    |                                                                                                                            |       |   |                             |       |
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|                                 | <b>plus</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |         |                                                                                                                  |                                                 |       |                |  |  |  |         |  |  |  |  |             |  |  |  |  |    |                                                                                                                            |       |   |                |       |  |  |         |  |  |  |    |                                                                                                                  |       |   |                                                 |  |  |  |         |  |  |  |  |             |  |  |  |  |    |                                                                                                                            |       |   |                             |       |
| b)                              | miles vehicle traveled after date of first report of defect or condition leading to repurchase through date of the hearing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | -----   | X                                                                                                                | Purchase Price                                  | X 50% |                |  |  |  |         |  |  |  |  |             |  |  |  |  |    |                                                                                                                            |       |   |                |       |  |  |         |  |  |  |    |                                                                                                                  |       |   |                                                 |  |  |  |         |  |  |  |  |             |  |  |  |  |    |                                                                                                                            |       |   |                             |       |
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| a)                              | miles vehicle traveled from delivery to consumer until first report of defect or condition leading to repurchase                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | -----   | X                                                                                                                | Actual price paid by the lessor for the vehicle |       |                |  |  |  |         |  |  |  |  |             |  |  |  |  |    |                                                                                                                            |       |   |                |       |  |  |         |  |  |  |    |                                                                                                                  |       |   |                                                 |  |  |  |         |  |  |  |  |             |  |  |  |  |    |                                                                                                                            |       |   |                             |       |
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|                                 | <b>plus</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |         |                                                                                                                  |                                                 |       |                |  |  |  |         |  |  |  |  |             |  |  |  |  |    |                                                                                                                            |       |   |                |       |  |  |         |  |  |  |    |                                                                                                                  |       |   |                                                 |  |  |  |         |  |  |  |  |             |  |  |  |  |    |                                                                                                                            |       |   |                             |       |
| b)                              | miles vehicle traveled after date of first report of defect or condition leading to repurchase through date of the hearing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | -----   | X                                                                                                                | Actual price paid by lessor                     | X 50% |                |  |  |  |         |  |  |  |  |             |  |  |  |  |    |                                                                                                                            |       |   |                |       |  |  |         |  |  |  |    |                                                                                                                  |       |   |                                                 |  |  |  |         |  |  |  |  |             |  |  |  |  |    |                                                                                                                            |       |   |                             |       |

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| <b>TEXAS LEMON LAW SUMMARY</b>                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                               | <p>120,000 for the vehicle</p> <p>For purposes of this formula, the actual price paid by the lessor includes any tax, title, license, and documentary fees paid by the lessor.</p> <p>For a towable recreational vehicle, the Texas Department of Motor Vehicles has established a rebuttable presumption of an expected useful life of 5,475 days (15 years). The reasonable allowance for use follows the same two-part formula described above, using days rather than miles and 5,475 days rather than 120,000 miles. Days or portions of days that the vehicle is out of service for repair are excluded from the calculation.</p>                                                                                                                       |
| <b>15. Refund of sales tax</b>                | Yes. The Texas Department of Motor Vehicles indicates that the purchase price refunded in a repurchase includes applicable sales tax.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>16. Enhanced damages</b>                   | Not specified.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>17. Attorney's fees</b>                    | In case of replacement or repurchase, the manufacturer shall reimburse the owner for reasonable incidental costs, including attorney fees if the complainant retains counsel after notification that the respondent is represented by counsel.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>18. Statute of limitations</b>             | A proceeding must be commenced within six months following the earlier of (1) expiration of the express warranty term, or (2) 24 months or 24,000 miles following the date of the vehicle's original delivery to a consumer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>19. Manufacturer-sponsored arbitration</b> | Not specified.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>20. State-sponsored arbitration</b>        | Yes, through an administrative hearing process rather than arbitration. The Texas Department of Motor Vehicles administers the state Lemon Law complaint process. If a complaint cannot be resolved, it is referred to the TxDMV Office of Administrative Hearings for a hearing before an independent hearings examiner, who may order repair, replacement, or repurchase if the statutory requirements are met.                                                                                                                                                                                                                                                                                                                                             |
| <b>21. Dealer liability</b>                   | An order issued under the lemon law must name the person responsible for payment of the cost of any refund or replacement. No manufacturer, converter or distributor may cause any franchised dealer to pay directly or indirectly any sum not specifically ordered. If the final order requires a manufacturer, converter or distributor to refund or replace a motor vehicle because it meets lemon law criteria, the program may order the franchised dealer to reimburse the consumer, lienholder, manufacturer, converter, or distributor only for items or options added to the vehicle by the dealer and only to the extent that one or more of the items or options contributed to the defect that served as the basis for the refund or replacement. |

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| <b>TEXAS LEMON LAW SUMMARY</b>                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>22. Restrictions on resale of returned vehicles</b> | <p>A manufacturer, converter, or distributor that has been ordered to repurchase or replace a motor vehicle must, before resale:</p> <p>(1) Retitle the vehicle in Texas. The certificate of title must contain notice that the vehicle was the subject of an ordered repurchase or replacement;</p> <p>(2) Issue a disclosure statement on a form provided or approved by the Texas Department of Motor Vehicles identifying the fact that the vehicle was repurchased or replaced under the Lemon Law;</p> <p>(3) Affix a department-approved disclosure label in a conspicuous location in or on the motor vehicle. The disclosure statement and label must accompany the vehicle through its first retail purchase;</p> <p>(4) Repair the defect or condition that was the basis for the repurchase or replacement; and</p> <p>(5) Provide the first retail purchaser with a basic warranty of 12 months or 12,000 miles, whichever occurs first, except for non-original equipment manufacturer items or accessories.</p> <p>Within 60 days of each transfer, the manufacturer, converter, or distributor must provide the department in writing with the name, address, and telephone number of the transferee, regardless of residence. The selling dealer must return the completed disclosure statement to the department within 60 days of the retail sale of the reacquired vehicle.</p> |
| <b>23. Point of sale notice of lemon law rights</b>    | <p>The department shall prepare, publish, and distribute information concerning a consumer's rights under the lemon law. The retail seller of a new motor vehicle shall conspicuously post a copy of the information in the area where its customers usually pay for repairs.</p> <p>A franchised dealer must also provide notice of the Lemon Law complaint procedures to each person to whom the dealer sells a new motor vehicle.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>24. Limitation on waiver</b>                        | <p>A contractual provision that excludes or modifies the remedies provided by the lemon law is prohibited and is void as against public policy unless the exclusion or modification is made under a settlement agreement between the consumer and the manufacturer, converter or distributor.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

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