

SUBJECT: Exempting certain motor vehicle sellers from liability

COMMITTEE: Judiciary & Civil Jurisprudence — committee substitute recommended

VOTE: 8 ayes — Leach, Julie Johnson, Flores, Moody, Murr, Schofield, Slawson, Vasut
0 nays
1 absent — Davis

WITNESSES: For — Jason Boatright, Penske; Jake Jacoby, Truck Renting and Leasing Association (*Registered, but did not testify*: Jay Thompson, AFACT; Ray Sullivan, American Property and Casualty Insurance Association; George Christian, Texas Civil Justice League; Jennifer Fagan, Texas Construction Association; Mark Borskey, Texas Trucking Association; Tracey Borders Mittnacht, The Associated General Contractors of Texas - Highway, Heavy, Utilities and Industrial Branch)

Against — Steve Bresnen, Laura Tamez, Texas Trial Lawyers Association

BACKGROUND: Some have suggested sellers who rent or lease certain motor vehicles should be exempt from civil action for failing to retrofit a vehicle when the seller was not involved in an accident.

DIGEST: CSHB 4218 would specify that in any civil action, including a products liability action, alleging negligence, gross negligence, or strict liability, a seller who rented or leased a motor vehicle to another person would not be liable for failing to retrofit the vehicle with component parts or equipment, or for failing to select component parts or equipment included in the vehicle that were not required by applicable federal motor vehicle safety standards at the time the vehicle was manufactured or sold. The bill would not apply if the seller failed to comply with a law or regulation issued, after the seller's vehicle was manufactured or sold, requiring a mandatory recall.

“Retrofit” would be defined as installing new equipment or component parts that were not included in the motor vehicle when the vehicle was manufactured or sold, and the term would not include routine maintenance or repairs to the vehicle as a result of wear and tear or required by damage resulting from an accident.

The bill would apply to a motor vehicle that was at least 6,000 pounds, for which the owner's liability for an accident was governed by federal law relating to rented or leased motor vehicles, and that was not meant to fit more than 10 individuals.

The bill would take effect September 1, 2023 and would apply only to a cause of action that accrued on or after the effective date.