

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 10, 2005

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB511 by Hochberg (Relating to the processing of consumer rebates.), **As Engrossed**

<p>No significant fiscal implication to the State is anticipated.</p>
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CSHB 511 amends Chapter 35, Business & Commerce Code by adding Section 35.43.

The new Section 35.43 requires a person, manufacturer or retailer offering a rebate over \$10 to mail the amount of the rebate to the consumer or electronically pay within the time period promised in the rebate information, or if silent, not later than the 30th day after the date they receive the properly completed rebate request. It also requires a company to either process incomplete rebate requests or notify the consumer in writing by mail, or email if the consumer has agreed to be notified by email, of errors or missing paperwork and allow the consumer 30 days to correct and resubmit without penalty. The person offering the rebate has the right to reject a rebate request if they determine the consumer is attempting to commit fraud; has already received the rebate; or is submitting proof of a purchase that is not legitimate. If a properly completed rebate request is erroneously rejected, the person offering the rebate shall pay the consumer no later than 30 days after they learn of the error. This section also provides a tie-in to the DTPA (Deceptive Trade Practices Act).

The proposed legislation may result in new complaints, investigations or cases by the Office of the Attorney General (OAG), Consumer Protection & Public Health Division; however, it is projected that this increase could be absorbed by current resources. The OAG anticipates any legal work resulting from the passage of the bill could be reasonably absorbed with current resources.

The Act would take effect on September 1, 2005.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General

LBB Staff: JOB, DLBa, MS, JRO