

By: Flynn

H.B. No. 3141

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the calculation of certain fees collected to defray  
3 certain expenses incurred in conjunction with the sale of a motor  
4 vehicle.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 348.006, Finance Code, is amended by  
7 amending Subsections (a) and (c) and adding Subsection (e) to read  
8 as follows:

9 (a) The principal balance under a retail installment  
10 contract is computed by:

11 (1) adding:

12 (A) the cash price of the motor vehicle;

13 (B) each amount included in the retail  
14 installment contract for an itemized charge; and

15 (C) subject to Subsection (c), a documentary fee  
16 for services rendered for or on behalf of the retail buyer in  
17 preparing, handling, and processing documents and complying with  
18 federal and state statutes and regulations, including those  
19 regarding security safeguards and reporting requirements, relating  
20 to the motor vehicle and to the closing of the retail installment  
21 transaction; and

22 (2) subtracting from the results under Subdivision (1)  
23 the amount of the retail buyer's down payment in money, goods, or  
24 both.

1 (c) For a documentary fee to be included in the principal  
2 balance of a retail installment contract:

3 (1) the retail seller must charge the documentary fee  
4 to cash buyers and credit buyers;

5 (2) except as provided by Subsection (e), the  
6 documentary fee may not exceed \$75 [~~\$50~~] for a motor vehicle retail  
7 installment contract or a reasonable amount agreed to by the retail  
8 seller and retail buyer for a heavy commercial vehicle retail  
9 installment contract; and

10 (3) the buyer's order and the retail installment  
11 contract must include:

12 (A) a statement of the amount of the documentary  
13 fee; and

14 (B) in reasonable proximity to the place in each  
15 where the amount of the documentary fee is disclosed, the following  
16 notice in type that is bold-faced, capitalized, underlined, or  
17 otherwise conspicuously set out from surrounding written material:

18 "A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE. A DOCUMENTARY FEE  
19 IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO BUYERS FOR HANDLING  
20 DOCUMENTS AND PERFORMING SERVICES RELATING TO THE CLOSING OF A  
21 SALE. THE MAXIMUM AMOUNT THAT MAY BE CHARGED FOR A DOCUMENTARY FEE  
22 IS DETERMINED ACCORDING TO SECTION 348.006, FINANCE CODE. [~~A~~  
23 ~~DOCUMENTARY FEE MAY NOT EXCEED \$50 FOR A MOTOR VEHICLE CONTRACT OR A~~  
24 ~~REASONABLE AMOUNT AGREED TO BY THE PARTIES FOR A HEAVY COMMERCIAL~~  
25 ~~VEHICLE CONTRACT.] THIS NOTICE IS REQUIRED BY LAW."~~

26 (e) Effective January 1 of each year, the Office of Consumer  
27 Credit Commissioner shall adjust the maximum documentary fee,

1 rounded to the nearest \$5 increment, to reflect the cumulative  
2 percentage change in the consumer price index for the preceding  
3 calendar year as compiled by the United States Department of Labor,  
4 Bureau of Labor Statistics.

5 SECTION 2. This Act takes effect immediately if it receives  
6 a vote of two-thirds of all the members elected to each house, as  
7 provided by Section 39, Article III, Texas Constitution. If this  
8 Act does not receive the vote necessary for immediate effect, this  
9 Act takes effect September 1, 2007.