

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 19, 2007

TO: Honorable Helen Giddings, Chair, House Committee on Business & Industry

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

IN RE: HB1702 by Howard, Charlie (Relating to restrictions on the automatic renewal of contracts.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Business and Commerce Code relating to restrictions on the automatic renewal of contracts by requiring contracts, which contain an automatic renewal provision, to conspicuously display the clause and process for canceling the automatic renewal and require the seller to give the consumer written notice of the automatic renewal clause and the procedure for canceling not prior to the 90th day nor later than the 15th day, before the last date on which the consumer can cancel the renewal. This bill would make a violation of the provisions a false, misleading, or deceptive act or practice and would result in additional investigations by the Office of the Attorney General (OAG).

Based on the analysis of the OAG, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be absorbed by utilizing current resources.

This bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 466 Office of Consumer Credit Commissioner

LBB Staff: JOB, JRO, TGI