

SENATE AMENDMENTS

2nd Printing

By: Callegari, Bonnen

H.B. No. 2261

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of certain service contracts.

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

SECTION 1. Section 1304.003, Occupations Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) In this chapter, "service contract" means an agreement:

(1) that is entered into for a separately stated consideration and for a specified term; and

(2) under which a provider agrees to repair, replace, or maintain a product, or provide indemnification for the repair, replacement, or maintenance of a product, for operational or structural failure or damage caused by a defect in materials or workmanship or by normal wear.

(c) For purposes of Subsection (a), normal wear for a motor vehicle includes minor and reasonable wear and tear that a vehicle sustains in everyday ordinary operation including:

(1) small dents, dings, and creases repairable by the process of paintless dent removal without affecting the existing paint finish and without replacing vehicle body panels or sanding, bonding, or painting;

(2) small windshield chips and cracks repairable without replacement of the entire windshield;

(3) worn tire tread;

1 (4) worn interior fabric or carpet items; and

2 (5) tire and wheel damage resulting from ordinary road
3 hazards such as potholes, rocks, wood debris, metal parts, glass,
4 plastic, or composite scraps.

5 SECTION 2. The change in law made by this Act applies to a
6 service contract entered into on or after the effective date of this
7 Act. A service contract entered into before the effective date of
8 this Act is covered by the law in effect on the date the contract was
9 entered into, and the former law is continued in effect for that
10 purpose.

11 SECTION 3. This Act takes effect September 1, 2007.

ADOPTED

MAY 08 2007

Lotay Spaw
Secretary of the Senate

By: Callegari/Bonnen/
Jackson

H.B. No. 2261

Substitute the following for H.B. No. 2261:

By: Chris Harris

C.S.H.B. No. 2261

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(c) For purposes of Subsection (a), normal wear for a motor vehicle may include minor and reasonable wear and tear that a vehicle sustains in everyday ordinary operation including:

(1) small dents, dings, and creases repairable by the process of paintless dent removal without affecting the existing paint finish and without replacing vehicle body panels or sanding, bonding, or painting;

(2) small windshield chips and cracks repairable without replacement of the entire windshield;

(3) worn tire tread;

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5 SECTION 2. The change in law made by this Act applies to a
6 service contract entered into on or after the effective date of this
7 Act. A service contract entered into before the effective date of
8 this Act is covered by the law in effect on the date the contract was
9 entered into, and the former law is continued in effect for that
10 purpose.

11 SECTION 3. This Act takes effect immediately if it receives
12 a vote of two-thirds of all the members elected to each house, as
13 provided by Section 39, Article III, Texas Constitution. If this
14 Act does not receive the vote necessary for immediate effect, this
15 Act takes effect September 1, 2007.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 2, 2007

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

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

IN RE: **HB2261** by Callegari (Relating to the regulation of certain service contracts.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 452 Department of Licensing and Regulation

LBB Staff: JOB, CL, JRO, AH

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 19, 2007

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

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

IN RE: **HB2261** by Callegari (Relating to the regulation of certain service contracts.), **As Engrossed**

No fiscal implication to the State is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 452 Department of Licensing and Regulation

LBB Staff: JOB, CL, JRO, AH

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 22, 2007

TO: Honorable Kino Flores, Chair, House Committee on Licensing & Administrative Procedures

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

IN RE: HB2261 by Callegari (relating to the regulation of certain service contracts.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 452 Department of Licensing and Regulation

LBB Staff: JOB, JRO, AH

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 19, 2007

TO: Honorable Kino Flores, Chair, House Committee on Licensing & Administrative Procedures

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

IN RE: HB2261 by Callegari (Relating to the definition of normal wear in a service contract.), As
Introduced

No fiscal implication to the State is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 452 Department of Licensing and Regulation

LBB Staff: JOB, JRO, AH

