

## **BILL ANALYSIS**

Senate Research Center  
81R6438 KFF-D

S.B. 1096  
By: Carona  
Business & Commerce  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, Sections 345.251(b) (relating to certain specifications for charging a documentary fee under this section), (c) (relating to requiring a preliminary work sheet include certain specifics in reasonable proximity to the place on the document where the documentary fee is disclosed), and 348.006(c) (relating to requirements that certain conditions be included in the principal balance of a retail installment contract for a documentary fee), Finance Code, provide that a documentary fee for preparing and processing the documents associated with the sale of a motor vehicle, including remittance of the sales and motor vehicle tax to the state, charged by automobile dealers cannot exceed \$50.00, which has been the maximum amount since 1993. Since that time the federal government has mandated that automobile dealers establish certain procedures that, among other things, develop technical, as costs of these government mandates have been absorbed by automobile dealers.

As proposed, S.B. 1096 provides that if a documentary fee is charged under this section the fee is prohibited from exceeding \$100, rather than \$50.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 345.251(b) and (c), Finance Code, as follows:

- (b) Provides that if a documentary fee is charged under this section the fee is prohibited from exceeding \$100, rather than \$50.
- (c) Makes a conforming change.

SECTION 2. Amends Section 348.006(c), Finance Code, to provide that for a documentary fee to be included in the principal balance of a retail installment contract, the documentary fee may not exceed \$100, rather than \$50, for a motor vehicle retail installment and retail buyer for a heavy commercial vehicle retail contract, and to require the buyer's order and the retail installment contract to include a statement of the amount of the documentary fee, and in reasonable proximity to the place in each where the amount of the documentary fee is disclosed, a certain notice in a type that is bold-faced, capitalized, underlined, or otherwise conspicuously set out from surrounding written material. Makes a conforming change.

SECTION 3. Effective date: upon passage or September 1, 2009.