

By: Flynn

H.B. No. 3194

A BILL TO BE ENTITLED

1 AN ACT
2 relating to certain fees charged in conjunction with a motor
3 vehicle retail installment transaction.

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

5 SECTION 1. Sections 348.006(a) and (c), Finance Code, are
6 amended to read as follows:

7 (a) The principal balance under a retail installment
8 contract is computed by:

9 (1) adding:

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

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

13 (C) subject to Subsection (c), a documentary fee
14 for services rendered for or on behalf of the retail buyer in
15 ~~[preparing]~~ handling~~[r]~~ and processing documents relating to the
16 motor vehicle ~~[and to the closing of the retail installment~~
17 ~~transaction]~~; and

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

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

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

1 (2) the documentary fee may not exceed \$100 [~~\$50~~] for a
2 motor vehicle retail installment contract or a reasonable amount
3 agreed to by the retail seller and retail buyer for a heavy
4 commercial vehicle retail installment contract; and

5 (3) the buyer's order and the retail installment
6 contract must include:

7 (A) a statement of the amount of the documentary
8 fee; and

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

13 "A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE. A DOCUMENTARY FEE
14 IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO BUYERS FOR HANDLING
15 DOCUMENTS [~~AND PERFORMING SERVICES~~] RELATING TO [~~THE CLOSING OF~~] A
16 SALE. A DOCUMENTARY FEE MAY NOT EXCEED \$100 [~~\$50~~] FOR A MOTOR
17 VEHICLE CONTRACT OR A REASONABLE AMOUNT AGREED TO BY THE PARTIES FOR
18 A HEAVY COMMERCIAL VEHICLE CONTRACT. THIS NOTICE IS REQUIRED BY
19 LAW."

20 SECTION 2. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2009.