

1-1 By: Carona S.B. No. 1096
1-2 (In the Senate - Filed February 24, 2009; March 13, 2009, read
1-3 first time and referred to Committee on Business and Commerce;
1-4 April 8, 2009, reported favorably by the following vote: Yeas 8,
1-5 Nays 0; April 8, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to certain charges included in a retail installment
1-9 agreement.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subsections (b) and (c), Section 345.251,
1-12 Finance Code, are amended to read as follows:

1-13 (b) If a documentary fee is charged under this section the
1-14 fee:

1-15 (1) must be charged to cash buyers and credit buyers;

1-16 (2) may not exceed \$100 [~~\$50~~]; and

1-17 (3) must be disclosed on the retail installment
1-18 contract as a separate itemized charge.

1-19 (c) A preliminary work sheet on which a sale price is
1-20 computed and that is shown to the retail buyer, an order from the
1-21 buyer, or a retail installment contract must include in reasonable
1-22 proximity to the place on the document where the documentary fee is
1-23 disclosed:

1-24 (1) the amount of the fee; and

1-25 (2) the following notice in type that is bold-faced,
1-26 capitalized, or underlined or otherwise conspicuously set out from
1-27 the surrounding written material:

1-28 "A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE. A DOCUMENTARY FEE IS NOT
1-29 REQUIRED BY LAW, BUT MAY BE CHARGED TO BUYERS FOR HANDLING DOCUMENTS
1-30 AND PERFORMING SERVICES RELATING TO THE CLOSING OF A SALE. A
1-31 DOCUMENTARY FEE MAY NOT EXCEED \$100 [~~\$50~~]. THIS NOTICE IS REQUIRED
1-32 BY LAW."

1-33 SECTION 2. Subsection (c), Section 348.006, Finance Code,
1-34 is amended to read as follows:

1-35 (c) For a documentary fee to be included in the principal
1-36 balance of a retail installment contract:

1-37 (1) the retail seller must charge the documentary fee
1-38 to cash buyers and credit buyers;

1-39 (2) the documentary fee may not exceed \$100 [~~\$50~~] for a
1-40 motor vehicle retail installment contract or a reasonable amount
1-41 agreed to by the retail seller and retail buyer for a heavy
1-42 commercial vehicle retail installment contract; and

1-43 (3) the buyer's order and the retail installment
1-44 contract must include:

1-45 (A) a statement of the amount of the documentary
1-46 fee; and

1-47 (B) in reasonable proximity to the place in each
1-48 where the amount of the documentary fee is disclosed, the following
1-49 notice in type that is bold-faced, capitalized, underlined, or
1-50 otherwise conspicuously set out from surrounding written material:

1-51 "A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE. A DOCUMENTARY FEE IS NOT
1-52 REQUIRED BY LAW, BUT MAY BE CHARGED TO BUYERS FOR HANDLING DOCUMENTS
1-53 AND PERFORMING SERVICES RELATING TO THE CLOSING OF A SALE. A
1-54 DOCUMENTARY FEE MAY NOT EXCEED \$100 [~~\$50~~] FOR A MOTOR VEHICLE
1-55 CONTRACT OR A REASONABLE AMOUNT AGREED TO BY THE PARTIES FOR A HEAVY
1-56 COMMERCIAL VEHICLE CONTRACT. THIS NOTICE IS REQUIRED BY LAW."

1-57 SECTION 3. This Act takes effect immediately if it receives
1-58 a vote of two-thirds of all the members elected to each house, as
1-59 provided by Section 39, Article III, Texas Constitution. If this
1-60 Act does not receive the vote necessary for immediate effect, this
1-61 Act takes effect September 1, 2009.

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