

By: Davis of Dallas

H.B. No. 1440

A BILL TO BE ENTITLED

AN ACT

relating to free trial offers on consumer goods and services.

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

SECTION 1. Title 12, Business & Commerce Code, is amended by adding Chapter 606 to read as follows:

CHAPTER 606. FREE TRIAL OFFERS OF CONSUMER GOODS OR SERVICES

Sec. 606.001. DEFINITION. In this chapter, "consumer" means a person who obtains a good or service that is to be used primarily for personal, family, or household purposes.

Sec. 606.002. REQUIREMENTS AND PROHIBITIONS RELATING TO TRIAL OFFERS OF GOODS OR SERVICES. (a) This section applies only to a person that offers a consumer free goods or services on a trial basis and that, at the end of the free trial period, charges the consumer a fee, including a periodic fee, for the goods or services.

(b) A person to whom this section applies must send to a consumer who accepts the goods or services a form that the consumer may use to indicate the consumer's agreement to pay the fee after the end of the free trial period.

(c) A person to whom this section applies may not charge a fee for the goods or services after the end of the free trial period if the person does not receive a signed form from the consumer in which the consumer agrees to pay the fee after the end of the free trial period.

(d) A violation of this section is a deceptive trade

1 practice in addition to the practices described by Subchapter E,  
2 Chapter 17, and is actionable under that subchapter.

3 SECTION 2. Chapter 606, Business & Commerce Code, as added  
4 by this Act, applies only to an offer to provide goods and services  
5 that is made on or after the effective date of this Act.

6 SECTION 3. This Act takes effect immediately if it receives  
7 a vote of two-thirds of all the members elected to each house, as  
8 provided by Section 39, Article III, Texas Constitution. If this  
9 Act does not receive the vote necessary for immediate effect, this  
10 Act takes effect September 1, 2011.