

## **BILL ANALYSIS**

H.B. 2462  
By: Thompson, Senfronia  
Investments & Financial Services  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties report that the average registered vehicle is over 10 years old and that drivers often rely on roadside assistance from automobile clubs to keep their cars on the road. Such parties note that current law permits the financing of automobile club memberships in connection with consumer loans; however, this is not the case under provisions governing motor vehicle retail installment transactions. While a Texas consumer has the right to finance itemized charges for taxes, various fees associated with titling and registration, and a number of insurance and other ancillary products, existing law does not explicitly permit the itemization of automobile club membership products in such a transaction.

H.B. 2462 seeks to provide valuable assurance to drivers during the economic downturn by adding automobile club memberships to the list of items that an automobile purchaser can finance in a motor vehicle retail installment contract.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 2462 amends the Finance Code to authorize a retail seller, at the time a retail installment contract is executed for a motor vehicle sale, to offer to sell to the retail buyer an automobile club membership for a reasonable charge. The bill requires the retail seller to give the retail buyer written notice at the time the contract is executed that the buyer is not required to purchase the membership as a condition for approval of the contract and is entitled to cancel the membership and receive a full refund of the membership's purchase price before the 31st day after the date the contract is executed. The bill includes charges authorized for automobile club memberships among those amounts in a retail installment contract considered to be itemized charges.

### **EFFECTIVE DATE**

September 1, 2013.