

BILL ANALYSIS

H.B. 3576
By: Fallon
Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties have raised concerns regarding the application of state law to Internet contracts and suggest that there is a need to clarify such matters so that persons located in Texas can rely on the applicability of state law as an Internet contract's governing law, enabling those persons to sell, lease, lend, or provide services to persons outside of Texas with the benefits and protections of the Texas laws. The goal of H.B. 3576 is to provide a safe harbor for commercial and consumer transactions made over the Internet by amending the applicable law relating to certain Internet contracts.

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. 3576 amends the Business & Commerce Code to establish that, for the purposes of law applicable to contracts made over the Internet, a person is considered to be in Texas if the person's primary place of business is in Texas. The bill establishes that such a contract is governed by Texas law if a party to the contract, including a seller, lessor, lender, or service provider, is located in Texas and any party to the contract who is located outside Texas and does not maintain an office or agent in Texas for transacting business in the state receives notice that the contract is governed by Texas law and the party agrees to the application of Texas law.

EFFECTIVE DATE

September 1, 2013.