

By: Fallon

H.B. No. 3576

A BILL TO BE ENTITLED

AN ACT

relating to the application of the law of this state to certain Internet contracts.

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

SECTION 1. This Act is intended to provide a safe harbor for commercial and consumer transactions made over the Internet so that persons located in this state may use the laws of this state as the contract's governing law, enabling those persons to sell, lease, lend, or provide services to persons outside this state with the benefits and protections of the laws of this state.

SECTION 2. Section 274.002, Business & Commerce Code, is amended by adding Subsection (c) to read as follows:

(c) In this chapter, a person is considered to be in this state if the person's primary place of business is in this state.

SECTION 3. Section 274.003, Business & Commerce Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) A contract is governed by the law of this state if:

(1) a party to the contract, including a seller, lessor, lender, or service provider, is located in this state; and

(2) any party to the contract who is located outside this state and does not maintain an office or agent in this state for transacting business in this state:

(A) receives notice that the contract is governed by the laws of this state; and

1 (B) agrees to the application of the laws of this
2 state.

3 SECTION 4. Section 274.004, Business & Commerce Code, is
4 amended to read as follows:

5 Sec. 274.004. APPLICABILITY OF OTHER LAW TO CONTRACT.
6 Section 1.301 [~~1.031~~] and Chapter 273 do not apply to a contract to
7 which this chapter applies.

8 SECTION 5. This Act applies only to a contract entered into
9 or renewed on or after the effective date of this Act.

10 SECTION 6. This Act takes effect September 1, 2013.