

By: Carona

S.B. No. 1248

A BILL TO BE ENTITLED

AN ACT

relating to the documentary fee charged in connection with the sale of certain recreational vehicles and boats.

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

SECTION 1. Section 345.251, Finance Code, is amended by amending Subsections (a), (b), and (c) and adding Subsection (e) to read as follows:

(a) A retail seller may charge a documentary fee for services rendered to, for, or on behalf of a retail buyer in ~~[preparing,]~~ handling~~[,]~~ and processing documents relating to the sale of~~[, and closing a retail installment transaction involving,]~~ a motorcycle, motor-driven cycle, moped, all-terrain vehicle, boat, boat motor, boat trailer, or towable recreational vehicle.

(b) If a documentary fee is charged under this section the fee:

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

(2) may not exceed a reasonable amount agreed to by the retail seller and retail buyer for the documentary services, subject to a reasonable maximum amount set by rule by the finance commission ~~[\$50]~~; and

(3) must be disclosed on the buyer's order or retail installment contract as a separate itemized charge.

(c) A preliminary work sheet on which a sale price is computed and that is shown to the retail buyer, an order from the

1 buyer, or a retail installment contract must include in reasonable
2 proximity to the place on the document where the documentary fee is
3 disclosed:

- 4 (1) the amount of the fee; and
5 (2) the following notice in type that is bold-faced,
6 capitalized, or underlined or otherwise conspicuously set out from
7 the surrounding written material:

8 "A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE. A
9 DOCUMENTARY FEE IS NOT REQUIRED BY LAW, BUT MAY BE
10 CHARGED TO BUYERS FOR HANDLING DOCUMENTS [~~AND~~
11 ~~PERFORMING SERVICES~~] RELATING TO THE [~~CLOSING OF A~~
12 SALE. A DOCUMENTARY FEE MAY NOT EXCEED A REASONABLE
13 AMOUNT AGREED TO BY THE PARTIES THAT IS NOT MORE THAN
14 THE MAXIMUM AMOUNT ALLOWED BY THE STATE [~~\$50~~]. THIS
15 NOTICE IS REQUIRED BY LAW."

16 (e) The finance commission may adopt rules necessary to
17 implement and enforce this section.

18 SECTION 2. This Act takes effect September 1, 2013.