

# SENATE AMENDMENTS

## 2<sup>nd</sup> Printing

By: Thompson of Harris

H.B. No. 2462

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to automobile club memberships offered in connection with  
3 certain motor vehicle retail installment contracts.

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

5 SECTION 1. Section 348.005, Finance Code, is amended to  
6 read as follows:

7 Sec. 348.005. ITEMIZED CHARGE. An amount in a retail  
8 installment contract is an itemized charge if the amount is not  
9 included in the cash price and is the amount of:

10 (1) fees for registration, certificate of title, and  
11 license and any additional registration fees charged by a full  
12 service deputy under Section 520.008 [~~502.114~~], Transportation  
13 Code;

14 (2) any taxes;

15 (3) fees or charges prescribed by law and connected  
16 with the sale or inspection of the motor vehicle; and

17 (4) charges authorized for insurance, service  
18 contracts, warranties, automobile club memberships, or a debt  
19 cancellation agreement by Subchapter C.

20 SECTION 2. Subchapter E, Chapter 348, Finance Code, is  
21 amended by adding Section 348.414 to read as follows:

22 Sec. 348.414. AUTOMOBILE CLUB MEMBERSHIP OFFERED IN  
23 CONNECTION WITH RETAIL INSTALLMENT CONTRACT. (a) A retail seller  
24 may, at the time a retail installment contract is executed, offer to

1 sell to the retail buyer an automobile club membership.

2 (b) The retail seller shall give the retail buyer written  
3 notice at the time the retail installment contract is executed that  
4 the retail buyer:

5 (1) is not required to purchase the membership as a  
6 condition for approval of the contract; and

7 (2) is entitled to cancel the membership and receive a  
8 full refund of the purchase price of the membership before the 31st  
9 day after the date the contract is executed.

10 (c) The amount charged for a membership as authorized by  
11 Subsection (a) must be reasonable.

12 SECTION 3. The changes in law made by this Act apply only to  
13 a retail installment contract executed on or after the effective  
14 date of this Act. A retail installment contract executed before the  
15 effective date of this Act is governed by the law in effect when the  
16 retail installment contract was executed, and the former law is  
17 continued in effect for that purpose.

18 SECTION 4. This Act takes effect September 1, 2013.

ADOPTED

MAY 15 2013

*Henry Solari*  
Deputy Clerk

By: Carona

H.B. No. 2462

Substitute the following for H.B. No. 2462:

By: Carona

C.S. ~~H~~.B. No. 2462

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5 (1) is not required to purchase the membership as a  
6 condition for approval of the contract; and

7 (2) is entitled to cancel the membership and receive a  
8 full refund of the purchase price of the membership before the 31st  
9 day after the date the contract is executed.

10 (c) The retail seller shall notify the retail buyer if the  
11 membership includes services that are provided by the manufacturer  
12 as part of the motor vehicle purchase.

13 (d) The amount charged for a membership as authorized by  
14 Subsection (a) must be reasonable.

15 SECTION 3. The changes in law made by this Act apply only to  
16 a retail installment contract executed on or after the effective  
17 date of this Act. A retail installment contract executed before the  
18 effective date of this Act is governed by the law in effect when the  
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20 continued in effect for that purpose.

21 SECTION 4. This Act takes effect September 1, 2013.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 15, 2013**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2462** by Thompson, Senfronia (Relating to automobile club memberships offered in connection with certain motor vehicle retail installment contracts.), **As Passed 2nd House**

**No fiscal implication to the State is anticipated.**

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 608 Department of Motor Vehicles

**LBB Staff:** UP, SD, RB, TP

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 7, 2013**

**TO:** Honorable John Carona, Chair, Senate Committee on Business & Commerce

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2462** by Thompson, Senfronia (Relating to automobile club memberships offered in connection with certain motor vehicle retail installment contracts.), **Committee Report 2nd House, Substituted**

<p><b>No fiscal implication to the State is anticipated.</b></p>
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**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 608 Department of Motor Vehicles

**LBB Staff:** UP, RB, TP

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 2, 2013**

**TO:** Honorable John Carona, Chair, Senate Committee on Business & Commerce

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2462** by Thompson, Senfronia (Relating to automobile club memberships offered in connection with certain motor vehicle retail installment contracts.), **As Engrossed**

**No fiscal implication to the State is anticipated.**

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**Source Agencies:** 608 Department of Motor Vehicles

**LBB Staff:** UP, RB, TP

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**April 1, 2013**

**TO:** Honorable Mike Villarreal, Chair, House Committee on Investments & Financial Services

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2462** by Thompson, Senfronia (Relating to automobile club memberships offered in connection with certain motor vehicle retail installment contracts.), **As Introduced**

**No fiscal implication to the State is anticipated.**

**Local Government Impact**

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**LBB Staff:** UP, RB, TP