**BILL ANALYSIS**

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| Senate Research Center | H.B. 2949 |
| 85R8318 CLG-F | By: Holland et al. (Creighton) |
|  | Business & Commerce |
|  | 5/17/2017 |
|  | Engrossed |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Interested parties contend that requiring a car dealer to notify the Finance Commission of Texas about a proposed increase in the maximum amount of a documentary fee charged in a retail installment contract so that the proposed increase can undergo a reasonableness review by the commission is an unnecessary burden on business. H.B. 2949 changes the conditions under which such a fee is considered reasonable and removes this notification requirement.

H.B. 2949 amends current law relating to the maximum amount of a documentary fee charged by a retail seller of motor vehicles.

**RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 348.006(e) and (f), Finance Code, as follows:

(e) Requires a retail seller, prior to increasing the maximum amount of the documentary fee the retail seller charges, to provide written notice to the consumer credit commissioner (commissioner) of the maximum amount of the documentary fee the retail seller intends to charge unless the maximum amount intended to be charged is considered reasonable as provided by Subsection (f). Authorizes the commissioner to review the amount of a documentary fee a retail seller intends to charge for reasonableness if the retail seller is required to provide written notice of the fee increase under this subsection, rather than to review the amount of a documentary fee for reasonableness.

(f) Provides that a documentary fee charged in accordance with this section (Principal Balance; Inclusion of Documentary Fee) is considered reasonable for purposes of this section if the amount is less than or equal to the amount of the documentary fee presumed reasonable as established by rule of the finance commission, rather than provides that a documentary fee charged in accordance with this section before September 1, 2009, is considered reasonable for purposes of this section.

SECTION 2. Makes application of Sections 348.006(e) and (f), Finance Code, as amended by this Act, prospective.

SECTION 3. Effective date: September 1, 2017.