

BILL ANALYSIS

Senate Research Center
85R312 CLG-D

H.B. 2027
By: Goldman (Taylor, Van)
Business & Commerce
5/4/2017
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 1941, in response to a nationwide increase in counterfeiting, the 47th Legislature passed H.B. 118 regulating the sale or transfer of secondhand (meaning previously used or sold) watches. The Act requires that persons selling a secondhand watch clearly label the item as “secondhand,” draft a specific invoice for the sale, and, if advertising a watch, clearly indicate that the watch is secondhand. Failure to comply with these requirements could, by law, result in a criminal penalty of up to 100 days in a county jail, a \$500 fine, or both.

The requirements and penalties associated with the sale of secondhand watches appear to have outlived their usefulness. Unlike the 1940's when the law was approved, many watches are no longer considered luxury items. Mass production, coupled with the introduction of electronic watches, have allowed for consumers to purchase more watches, and at a cheaper price. Consequently, the need for consumer protections specific to watch purchases has dissipated. Further, the Texas laws governing the sale of secondhand watches appear to be ignored. A cursory review of secondhand goods marketplaces on the Internet, including Google shopping, eBay, and Craigslist, reveals widespread noncompliance with the law's requirements.

Interested parties observe that Texas consumers do not require, or use, regulations relating to the sale of secondhand watches. In addition, the criminal penalties associated with the improper sale of secondhand watches are excessive. H.B. 2027 repeals the regulations applicable to the sale of secondhand watches. The bill also repeals the criminal penalties associated with the improper labeling, invoicing, or advertising of secondhand watches.

H.B. 2027 amends current law relating to the repeal of certain laws regulating the sale or transfer of secondhand watches.

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. Repealer: Subchapter C (Regulating the Sale or Transfer of Secondhand Watches), Chapter 17 (Deceptive Trade Practices), Business & Commerce Code.

SECTION 2. Prohibits an offense under Section 17.22 (Criminal Penalty), Business & Commerce Code, from being prosecuted after the effective date of this Act. Provides that, if on the effective date of this Act a criminal action is pending for an offense under Section 17.22, Business & Commerce Code, the action is dismissed on that date. Provides that, however, a final conviction for an offense under Section 17.22, Business & Commerce Code, that exists on the effective date of this Act is unaffected by this Act.

SECTION 3. Effective date: upon passage or September 1, 2017.