

BILL ANALYSIS

H.B. 2949
By: Holland
Licensing & Administrative Procedures
Committee Report (Unamended)

BACKGROUND AND PURPOSE

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 seeks to change the conditions under which such a fee is considered reasonable and remove this notification requirement.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2949 amends the Finance Code to change the conditions under which a documentary fee charged for services rendered for or on behalf of a retail buyer in handling and processing documents relating to a motor vehicle installment sale is considered reasonable from such fee being charged before a specified date to the amount of such fee being less than or equal to the amount of the documentary fee presumed reasonable as established by rule of the Finance Commission of Texas and specifies that a retail seller prior to increasing the maximum amount of the documentary fee the seller charges is not required to provide written notice to the consumer credit commissioner of the maximum amount of the documentary fee the seller intends to charge if the maximum amount intended to be charged is considered reasonable as established by such rule.

EFFECTIVE DATE

September 1, 2017.