

By: Paddie

H.B. No. 2275

Substitute the following for H.B. No. 2275:

By: Kuempel

C.S.H.B. No. 2275

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the regulation of a service contract.

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

4 SECTION 1. Section 1304.003(b), Occupations Code, is
5 amended to read as follows:

6 (b) A service contract described by Subsection (a)(2)(A)
7 may also provide for:

8 (1) incidental payment or indemnity under limited
9 circumstances, including towing, rental, and emergency road
10 service;

11 (2) the repair or replacement of a product for damage
12 resulting from a power surge or for accidental damage incurred in
13 handling the product; ~~or~~

14 (3) identity recovery, if the service contract is
15 financed under Chapter 348 or 353, Finance Code; or

16 (4) the replacement of a motor vehicle key or key fob
17 in the event the key or key fob is inoperable, lost, or stolen.

18 SECTION 2. Section 1304.1581, Occupations Code, is amended
19 by adding Subsection (g) to read as follows:

20 (g) Notwithstanding Subsection (b)(1) or (c)(1), a provider
21 is not required to deduct the amount of any claims paid under a
22 service contract from the amount of a refund required under this
23 section.

24 SECTION 3. Section 1304.159, Occupations Code, is amended

1 by adding Subsection (d) to read as follows:

2 (d) Notwithstanding Subsection (c), a provider is not
3 required to deduct the amount of any claims paid under a service
4 contract from the amount of a refund a service contract holder is
5 entitled to under this section.

6 SECTION 4. The changes in law made by this Act apply only to
7 a service contract entered into or renewed on or after the effective
8 date of this Act. A service contract entered into or renewed before
9 the effective date of this Act is governed by the law in effect
10 immediately before the effective date of this Act, and that law is
11 continued in effect for that purpose.

12 SECTION 5. This Act takes effect September 1, 2017.