

By: Villalba

H.B. No. 2650

Substitute the following for H.B. No. 2650:

By: Oliveira

C.S.H.B. No. 2650

A BILL TO BE ENTITLED

AN ACT

relating to the presumption of membership initiation deposits as abandoned property.

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

SECTION 1. Subchapter B, Chapter 72, Property Code, is amended by adding Section 72.1018 to read as follows:

Sec. 72.1018. MEMBERSHIP INITIATION DEPOSITS. (a) In this section, "membership initiation deposit" means an amount of money paid to join a club membership program operated by a business that provides a member access to or the use of entertainment, recreation, sports, dining, or social facilities and other related real property.

(b) A membership initiation deposit is not presumed abandoned if:

(1) the member forfeits the deposit under the terms of an agreement between the member and the business that sold the membership; or

(2) the deposit is included as discharge of indebtedness income on the federal income tax return of the business that sold the membership.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this

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1 Act takes effect September 1, 2017.