

By: Villalba

H.B. No. 2650

A BILL TO BE ENTITLED

AN ACT

relating to the treatment of membership initiation payments as abandoned personal 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 Payments. (a) In this section, "membership initiation payment" means a payment that:

(1) is paid by a person to join a membership program;  
and,

(2) may be refundable under the terms of a membership agreement.

(b) A membership initiation payment is not presumed abandoned under this chapter when the member has not forfeited the refund and the person receiving the membership initiation payment incurs discharge of indebtedness income on its state and/or federal tax returns when due.

SECTION 2. EFFECTIVE DATE. 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 Act takes effect September 1, 2017.