

By: Minjarez

H.B. No. 2816

A BILL TO BE ENTITLED

AN ACT

relating to service contract providers.

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

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

(a) In this chapter:

(1) "Identity recovery" means a process, through a limited power of attorney and the assistance of an identity recovery expert, that returns the identity of an identity theft victim to pre-identity theft event status.

(2) "Service contract" means an agreement that is entered into for a separately stated consideration and for a specified term under which a provider agrees to:

(A) repair, replace, or maintain a product, or provide indemnification for the repair, replacement, or maintenance of a product, for operational or structural failure or damage caused by a defect in materials or workmanship or by normal wear; ~~or~~

(B) provide identity recovery, if the service contract is financed under Chapter 348 or 353, Finance Code; or

(C) provide compensation to the buyer of a vehicle on the total constructive loss under a depreciation benefit optional member program.

(3) "Depreciation benefit optional member program"

1 means a service contract financed under Chapter 348 or 353, Finance  
2 Code, that pays to the buyer, as a credit toward the purchase of a  
3 replacement vehicle at a participating dealer, an amount less than  
4 or equal to the difference between the purchase price and actual  
5 cash value for a total constructive loss.

6 SECTION 2. The changes in law made by this Act apply only to  
7 a depreciation benefit optional member program service contract  
8 entered into or renewed on or after the effective date of this Act.  
9 A depreciation benefit optional member program service contract  
10 entered into or renewed before the effective date of this Act is  
11 governed by the law in effect immediately before the effective date  
12 of this Act, and that law is continued in effect for that purpose.

13 SECTION 3. This Act takes effect September 1, 2017.