

1-1 By: Hughes S.B. No. 1263
1-2 (In the Senate - Filed March 3, 2017; March 13, 2017, read
1-3 first time and referred to Committee on Business & Commerce;
1-4 May 1, 2017, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 9, Nays 0; May 1, 2017, sent
1-6 to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	Hancock	X		
1-10	Creighton	X		
1-11	Campbell	X		
1-12	Estes	X		
1-13	Nichols	X		
1-14	Schwertner	X		
1-15	Taylor of Galveston	X		
1-16	Whitmire	X		
1-17	Zaffirini	X		

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1263 By: Nichols

1-19 A BILL TO BE ENTITLED
1-20 AN ACT

1-21 relating to the regulation of a service contract.
1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-23 SECTION 1. Section 1304.003(b), Occupations Code, is
1-24 amended to read as follows:
1-25 (b) A service contract described by Subsection (a)(2)(A)
1-26 may also provide for:
1-27 (1) incidental payment or indemnity under limited
1-28 circumstances, including towing, rental, and emergency road
1-29 service;
1-30 (2) the repair or replacement of a product for damage
1-31 resulting from a power surge or for accidental damage incurred in
1-32 handling the product; ~~or~~
1-33 (3) identity recovery, if the service contract is
1-34 financed under Chapter 348 or 353, Finance Code; or
1-35 (4) the replacement of a motor vehicle key or key fob
1-36 in the event the key or key fob is inoperable, lost, or stolen.
1-37 SECTION 2. Section 1304.1581, Occupations Code, is amended
1-38 by adding Subsection (g) to read as follows:
1-39 (g) Notwithstanding Subsection (b)(1) or (c)(1), a provider
1-40 is not required to deduct the amount of any claims paid under a
1-41 service contract from the amount of a refund required under this
1-42 section.
1-43 SECTION 3. Section 1304.159, Occupations Code, is amended
1-44 by adding Subsection (d) to read as follows:
1-45 (d) Notwithstanding Subsection (c), a provider is not
1-46 required to deduct the amount of any claims paid under a service
1-47 contract from the amount of a refund a service contract holder is
1-48 entitled to under this section.
1-49 SECTION 4. The changes in law made by this Act apply only to
1-50 a service contract entered into or renewed on or after the effective
1-51 date of this Act. A service contract entered into or renewed before
1-52 the effective date of this Act is governed by the law in effect
1-53 immediately before the effective date of this Act, and that law is
1-54 continued in effect for that purpose.
1-55 SECTION 5. This Act takes effect September 1, 2017.

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