

BILL ANALYSIS

H.B. 735
By: Minjarez
Licensing & Administrative Procedures
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Recently enacted legislation allowed consumers to purchase service contracts known as depreciation benefit optional member programs from an auto dealer. However, concerns have been raised that the language used in the statute means that these programs are only available to consumers who finance a vehicle through a loan written on a retail installment contract at the dealer. H.B. 735 seeks to address these concerns and give more consumers the option to purchase these programs by providing for the sale of such a program regardless of whether the vehicle is purchased for cash, financed, or leased.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 735 amends the Occupations Code to revise the definition of "depreciation benefit optional member program" under the Service Contract Regulatory Act by removing references to vehicle installment sale financing and by specifying instead that such programs are for any vehicle, regardless of whether the vehicle is purchased for cash, financed, or leased.

EFFECTIVE DATE

September 1, 2021.