

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 3, 2021

TO: Honorable Chris Turner, Chair, House Committee on Business & Industry

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2259 by Guerra (relating to requirements for subscription service contracts; providing a civil penalty.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Business and Commerce Code by adding Chapter 608, which concerns requirements for subscription service contracts. The bill would require subscription service providers to disclose to consumers the nature of the subscription service contracts that they are agreeing to, while also establishing procedures for contract cancellation.

The bill indicates that a violation of the chapter is a false, misleading or deceptive act or practice as defined by the Business and Commerce Code and subsequently, any remedy under Chapter 17, Subchapter E, is available for a violation of this chapter. The bill would provide the Consumer Protection Division the authority to seek additional remedy through the Deceptive Trade Practices Act.

The bill would require the Office of the Attorney General to provide written notice to the service provider identifying the specific provisions of Chapter 608 that the service provider allegedly violated. The bill would create a civil penalty of not more than \$2,000 for each violation for each month a violation of the provisions of the chapter continue.

According to the Office of the Attorney General and the Office of Court Administration, any additional work resulting from the provisions of the bill could be absorbed within current resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Admin, 302 Office of the Attorney General

LBB Staff: JMc, SZ, LCO, HGR