

By: Lambert

H.B. No. 3102

A BILL TO BE ENTITLED

AN ACT

relating to the cancellation of certain consumer transactions.

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

SECTION 1. Section 601.002, Business & Commerce Code, is amended to read as follows:

Sec. 601.002. APPLICABILITY OF CHAPTER; EXCEPTION. (a)

This chapter applies only to a consumer transaction in which:

(1) the merchant or the merchant's agent engages in a personal solicitation of a sale to the consumer at a place other than the merchant's place of business without the consumer's prior invitation or request;

(2) the consumer's agreement or offer to purchase is given to the merchant or the merchant's agent at a place other than the merchant's place of business without the consumer's prior invitation or request; and

(3) the agreement or offer is for:

(A) the purchase of goods or services for consideration that exceeds \$25, payable in installments or in cash; or

(B) the purchase of real property for consideration that exceeds \$100, payable in installments or in cash.

(b) Notwithstanding Subsection (a), this chapter does not apply to:

- 1 (1) a purchase of farm equipment;
- 2 (2) an insurance sale regulated by the Texas
3 Department of Insurance;
- 4 (3) a sale of goods or services made:
- 5 (A) under a preexisting revolving charge account
6 or retail charge agreement; ~~or~~
- 7 (B) after negotiations between the parties at a
8 business establishment in a fixed location where goods or services
9 are offered or exhibited for sale; or
- 10 (C) entirely by mail, Internet, or telephone and
11 without any other contact between the buyer and the seller or the
12 seller's representative before delivery of the goods or performance
13 of the services; or
- 14 (4) a sale of real property if:
- 15 (A) the purchaser is represented by a licensed
16 attorney;
- 17 (B) the transaction is negotiated by a licensed
18 real estate broker; or
- 19 (C) the transaction is negotiated at a place
20 other than the consumer's residence by the person who owns the
21 property.

22 SECTION 2. Section 601.101, Business & Commerce Code, is
23 amended to read as follows:

24 Sec. 601.101. MERCHANT'S COMPENSATION. A merchant is not
25 entitled to compensation for services performed under a consumer
26 transaction canceled under this chapter unless the merchant in good
27 faith substantially began to perform the services at the consumer's

1 request before the consumer gave notice of cancellation.

2 SECTION 3. The changes in law made by this Act apply only to
3 a consumer transaction that occurs on or after the effective date of
4 this Act. A consumer transaction that occurs before the effective
5 date of this Act is governed by the law in effect on the date the
6 transaction occurred, and the former law is continued in effect for
7 that purpose.

8 SECTION 4. This Act takes effect September 1, 2023.