

BILL ANALYSIS

H.B. 3466
By: Bell, Keith
Trade, Workforce & Economic Development
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Chapter 601 of the Business & Commerce Code was enacted in 1973 to address concerns with door-to-door sales practices that left consumers vulnerable to pressure sales tactics and fraud. The law established a three-day cancellation period for purchases made in a consumer's home, providing a critical consumer protection tool at a time when such sales were largely unregulated. However, the bill author has informed the committee that the modern business landscape has evolved, particularly for service contracts and subscriptions, which are now governed under the Service Contract Regulatory Act in the Occupations Code and are subject to comprehensive regulation by the Texas Department of Licensing and Regulation. Among other protections, these laws require that service contracts be cancellable at any time and include specific disclosures that protect consumer rights. Despite these robust protections, the bill author has also informed the committee that such services remain subject to the outdated requirements of Chapter 601, creating redundant and unnecessary layers of regulation; as a result, businesses offering already-regulated, cancellable services must also comply with outdated door-to-door sale rules, including mailing paper forms even for Internet and phone sales. H.B. 3466 aims to modernize and streamline state law by exempting certain services from the door-to-door sale statute.

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. 3466 amends the Business & Commerce Code to exempt the following consumer transactions from statutory provisions relating to a consumer's right to cancel a transaction:

- a service contract regulated by the Texas Department of Licensing and Regulation under the Service Contract Regulatory Act; and
- a sale of a service if the service is cancellable by the consumer at any time and the right to cancel the service is provided to the consumer in writing.

H.B. 3466 applies only to a consumer transaction that occurs on or after the bill's effective date. A consumer transaction that occurs before the bill's effective date is governed by the law in effect on the date the transaction occurred, and the former law is continued in effect for that purpose.

EFFECTIVE DATE

September 1, 2025.

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