

## **BILL ANALYSIS**

Senate Research Center  
85R13901 GRM-F

S.B. 1199  
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Business & Commerce  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Interested parties note the need for consumers in Texas to be able to purchase a depreciation member benefit program from their auto dealer. This product is an optional membership benefit, so the consumer becomes a member of a particular auto group or dealer. In event of total loss, a benefit of a specified dollar amount applies towards the purchase of a new vehicle. Currently in Texas, financial institutions may offer this service, but auto dealers are not authorized.

This benefits product, under Texas statute fits within the purview of a service contract; however, current code does not allow auto dealers to offer this product. S.B. 1199 amends the Occupations Code to enable Texans to purchase a depreciation member benefit program from their auto dealer.

As proposed, S.B. 1199 amends current law relating to service contract providers.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 1304.003(a), Occupations Code, to redefine "service contract" and to define "depreciation benefit optional member program."

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2017.