

AN ACT

relating to the regulation of a service contract.

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

SECTION 1. Section 1304.003(b), Occupations Code, is amended to read as follows:

(b) A service contract described by Subsection (a)(2)(A) may also provide for:

(1) incidental payment or indemnity under limited circumstances, including towing, rental, and emergency road service;

(2) the repair or replacement of a product for damage resulting from a power surge or for accidental damage incurred in handling the product; ~~or~~

(3) identity recovery, if the service contract is financed under Chapter 348 or 353, Finance Code; or

(4) the replacement of a motor vehicle key or key fob in the event the key or key fob is inoperable, lost, or stolen.

SECTION 2. Section 1304.1581, Occupations Code, is amended by adding Subsection (g) to read as follows:

(g) Notwithstanding Subsection (b)(1) or (c)(1), a provider is not required to deduct the amount of any claims paid under a service contract from the amount of a refund required under this section.

SECTION 3. Section 1304.159, Occupations Code, is amended

1 by adding Subsection (d) to read as follows:

2 (d) Notwithstanding Subsection (c), a provider is not  
3 required to deduct the amount of any claims paid under a service  
4 contract from the amount of a refund a service contract holder is  
5 entitled to under this section.

6 SECTION 4. The changes in law made by this Act apply only to  
7 a service contract entered into or renewed on or after the effective  
8 date of this Act. A service contract entered into or renewed before  
9 the effective date of this Act is governed by the law in effect  
10 immediately before the effective date of this Act, and that law is  
11 continued in effect for that purpose.

12 SECTION 5. This Act takes effect September 1, 2017.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 2275 was passed by the House on April 20, 2017, by the following vote: Yeas 143, Nays 1, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 2275 was passed by the Senate on May 24, 2017, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor