

## **BILL ANALYSIS**

S.B. 1500  
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Business & Industry  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties note that the Texas Department of Licensing and Regulation recently developed a strategic initiative to eliminate its vehicle protection product warrantors program. S.B. 1500 seeks to repeal the Vehicle Protection Product Regulatory Act while retaining certain consumer protection provisions through the Deceptive Trade Practices-Consumer Act.

### **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**

S.B. 1500 amends the Business & Commerce Code to include among the acts that constitute false, misleading, or deceptive acts or practices under the Deceptive Trade Practices-Consumer Protection Act the use by a warrantor of a vehicle protection product or system warranty, in connection with that product, of a name that includes "casualty," "surety," "insurance," "mutual," or any other word descriptive of an insurance business or a surety business. The bill defines "vehicle protection product" and specifies that a vehicle protection product may include the identity recovery process defined under provisions of the Occupations Code for a vehicle protection product or system that is financed as provided for a motor vehicle or commercial motor vehicle installment sale.

S.B. 1500 amends the Finance Code to prohibit a retail seller from requiring as a condition of a retail installment transaction or the cash sale of a motor vehicle or commercial vehicle that the buyer purchase a vehicle protection product that is not installed on the vehicle at the time of the transaction. The bill establishes that a violation of that prohibition constitutes a false, misleading, or deceptive act or practice under the Deceptive Trade Practices-Consumer Protection Act and is actionable in a public or private suit.

S.B. 1500 repeals the Vehicle Protection Product Regulatory Act and expressly provides for the following actions on the bill's effective date: dismissal of an action pending before the Texas Department of Licensing and Regulation (TDLR) or under the act on that date related to an alleged violation of that act as that act existed immediately before the bill's effective date; expiration of a registration issued under that act; and abolishment of the Vehicle Protection Product Warrantor Advisory Board. The bill requires the Texas Commission of Licensing and Regulation to repeal all rules regarding the regulation of vehicle protection product warrantors adopted under the act and authorizes an administrative penalty assessed by the commission or

the executive director of TDLR related to a violation of the act, as it existed immediately before the bill's effective date, to be collected as provided by TDLR.

S.B. 1500 repeals Chapter 2306, Occupations Code.

**EFFECTIVE DATE**

September 1, 2017.