

BILL ANALYSIS

Senate Research Center

S.B. 560
By: Sibley
Business & Commerce
4/18/2001
As Filed

DIGEST AND PURPOSE

Current law protects consumers from abuse resulting from door-to-door sales by requiring a merchant who solicits a consumer away from the merchant's place of business to permit a consumer to cancel an agreement entered into with the merchant within three days. Both insurance sales regulated by the Texas Department of Insurance and sales of real property are exempt from this provision. A residential service contract may be considered similar to an insurance policy in that it involves a premium to repair or replace many of the mechanical, electrical, structural, or plumbing systems in a consumer's home. S.B. 560 exempts a residential service contract from law pertaining to the cancellation of certain transactions that take place away from the merchant's place of business.

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 39.002, Business & Commerce Code, to provide that this chapter, notwithstanding Subsection (a), does not apply to certain transactions including a residential service contract sale regulated by the Texas Real Estate Commission.

SECTION 2. Effective date: September 1, 2001.