

## CHAPTER 897

## H.B. No. 1281

An Act relating to a documentary fee for services and costs related to transactions involving certain vehicles.

*Be it enacted by the Legislature of the State of Texas:*

**SECTION 1.** Article 6.01(k), Title 79, Revised Statutes (Article 5069-6.01, Vernon's Texas Civil Statutes), is amended by adding Article 6.10 to read as follows:

(k) "Principal balance" means the cash price of the goods or services which are the subject matter of a retail installment contract plus the amounts, if any, included therein for itemized charges, *including a documentary fee under Article 6.10 of this chapter*, less the amount of the buyer's down payment in money or goods or both.

**SECTION 2.** Chapter 6, Title 79, Revised Statutes (Article 5069-6.01 et seq., Vernon's Texas Civil Statutes), is amended by adding Article 6.10 to read as follows:

**Art. 6.10. DOCUMENTARY FEE.** (a) *A seller may charge a documentary fee for services rendered to, for, or on behalf of a retail buyer in preparing, handling, and processing documents relating to, and closing a retail installment transaction involving, a motorcycle, a motor-driven cycle, moped, or all-terrain vehicle. If the documentary fee is charged:*

(1) *it must be charged to both cash and credit buyers;*

(2) *it may not exceed \$25; and*

(3) *it must be disclosed on the retail installment contract as a separate itemized charge.*

(b) *Preliminary worksheets that are shown to the buyer in which a sale price is computed, an order from the buyer, and the retail installment contract must include, in reasonable proximity to the place in the worksheet, order, or contract where the documentary fee is disclosed, the amount of the fee and the following notice in bold-faced type:*

**"A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE AND IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO A BUYER FOR THE HANDLING OF DOCUMENTS AND THE PERFORMING OF SERVICES RELATED TO THE CLOSING OF A SALE. A BUYER MAY AVOID PAYMENT OF THE FEE BY HANDLING THESE DOCUMENTS AND PERFORMING THESE SERVICES. A DOCUMENTARY FEE MAY NOT EXCEED \$25. THIS NOTICE IS REQUIRED BY LAW."**

(c) *If the language primarily used in an oral sales presentation is not the same as that contained in the retail installment contract, the seller shall furnish the buyer with a written statement containing the notice set out in Section (b) of this article in the language used in the oral sales presentation.*

**SECTION 3.** This Act takes effect September 1, 1985.

**SECTION 4.** The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed by the House on April 30, 1985, by a non-record vote; passed by the Senate on May 21, 1985, by the following vote: Yeas 31, Nays 0.

Filed: June 15, 1985, without signature.

Effective: September 1, 1985