

Title 7. Banking and Securities
Part 5. Office of Consumer Credit Commissioner
Chapter 86. Retail Creditors
Subchapter B. Retail Installment Contract
§86.201. Documentary Fee

The Finance Commission of Texas (commission) adopts amendments to §86.201 (relating to Documentary Fee) in 7 TAC, Chapter 86, concerning Retail Creditors.

The commission adopts the amendments without changes to the proposed text as published in the August 30, 2019, issue of the *Texas Register* (44 TexReg 4612).

The commission received no written comments on the proposal.

In general, the purpose of the adopted amendments to §86.201 is to remove references to the obsolete term "motor-driven cycle," in accordance with HB 3171, which the Texas Legislature passed in the 2019 legislative session.

HB 3171 amends various provisions in the Texas Transportation Code and Texas Finance Code relating to motorcycles and mopeds. The bill amends the definitions of "motorcycle" and "moped," and removes the term "motor-driven cycle," which was considered a type of motorcycle under previous law. In particular, the bill removes "motor-driven cycle" from the list of vehicles for which a documentary fee is authorized for a retail installment transaction under Texas Finance Code, §345.251.

The adopted amendments to §86.201 remove the definition of "motor-driven cycle," remove the term "motor-driven cycle" from the definition of "covered land vehicle," and renumber other definitions

accordingly. This will ensure consistency with the Texas Finance Code and Texas Transportation Code as amended by HB 3171.

The OCCC distributed an early precomment draft of proposed changes to interested stakeholders for review and then held a stakeholder meeting and webinar regarding the rule changes. The OCCC did not receive any informal written precomments on the rule text draft.

These amendments are adopted under Texas Finance Code, §345.251(e), which authorizes the commission to adopt rules to implement and enforce the statutory provision authorizing a documentary fee for certain retail installment transactions under Texas Finance Code, Chapter 345. In addition, Texas Finance Code, §11.304 authorizes the Finance Commission to adopt rules to ensure compliance with Title 4 of the Texas Finance Code.

The statutory provisions affected by the adoption are contained in Texas Finance Code, Chapter 345.

Title 7, Texas Administrative Code

Chapter 86. Retail Creditors

Subchapter B. Retail Installment Contract

§86.201. Documentary Fee.

(a) Definitions.

(1) All-terrain vehicle--Has the meaning provided by Texas Transportation Code, §502.001(1).

(2) Boat--A vessel, as described by Texas Parks and Wildlife Code, §31.003(2).

(3) Boat motor--An outboard motor, as described by Texas Parks and Wildlife Code, §31.003(13).

(4) Covered land vehicle--A motorcycle, ~~[motor driven cycle,]~~ moped, all-terrain vehicle, boat trailer, or towable recreational vehicle.

(5) Covered watercraft--A boat or boat motor.

(6) Moped--Has the meaning provided by Texas Transportation Code, §541.201(8).

(7) Motorcycle--Has the meaning provided by Texas Transportation Code, §541.201(9).

~~[(8) Motor driven cycle Has the meaning provided by Texas Transportation Code, §541.201(10).]~~

(8) ~~[(9)]~~ Retail installment contract--Has the meaning provided by Texas Finance Code, §345.001(6) and refers to one or more instruments entered into that evidence a secured or unsecured retail installment transaction for the sale of goods under Texas Finance Code, Chapter 345.

(9) ~~[(10)]~~ Towable recreational vehicle--Has the meaning provided by Texas Finance Code, §348.001(10-a).

(b) Contract for covered land vehicles only. For a retail installment contract for the

purchase of one or more covered land vehicles, the reasonable maximum amount of the documentary fee is \$125.

(c) Contract for covered watercraft only. For a retail installment contract for the purchase of one or more covered watercraft, the reasonable maximum amount of the documentary fee is \$125.

(d) Contract for both covered land vehicles and covered watercraft. For a retail installment contract for the purchase of one or more covered land vehicles and one or more covered watercraft, the reasonable maximum amount of the documentary fee is \$175.

Certification

This agency hereby certifies that the adoption has been reviewed by legal counsel and found to be within the agency's legal authority to adopt.

Issued in Austin, Texas on October 18, 2019.

Matthew J. Nance
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