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Chronicle Austin Bureau

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The Consumers Win Some

BY GEORGE KUEMPEL

Chronicle Austin Bureau

Austin — Just how did the consumer, that darling of golden-throated politicians in election years, fare in what was supposed to be a "Reform" legislature?

"It's mixed," said Lloyd Doggett of Austin, president of the Texas Consumer Assn.

In more cases than not, consumers have come out second best. But there have been some bright spots, particularly with passage of the Consumer Remedies Act, the top item on the association's priority list.

The bill, drafted by Atty. Gen. John Hill, has been signed into law by the governor. But the special interest lobby got in its licks, and the measure was weakened somewhat by the Senate at the direction of Lt. Gov. Bill Hobby.

Even so, the measure, SB 75, spells out 20 illegal trade practices, such as false advertising, and allows consumers individually or as a group to sue violators for damages. In class action proceedings, consumers can recover attorney fees, court costs and actual as well as punitive damages.

Lobby Opposition

But the provision most opposed by lobbyists — giving the attorney general power to make rules and expand the list of illegal practices — was stricken from the bill. Hobby requested and won Senate approval of a provision exempting all transactions of \$10 or less, a change that was pushed hard by lobbyists for chain groceries.

In another major area of consumer interest — utility company regulation — opposition was too strong.

A compromise measure by

Sen. Ron Clower of Garland, SB 540, covering only telephone companies, was killed by the Senate Human Resources Committee. An attempt by Clower to get the bill to the floor for vote on a minority report fell far short of the needed two-thirds vote.

The bill, which called for establishing a state commission to regulate telephone rates and services, was second on the consumer association's list of priority legislation.

A handful of other bills covering telephone companies, including a—measure fixing the rate base on original cost of equipment and facilities, also was blocked.

Bills 'Buried'

"All of those were buried in committee, so in the field of regulating public utilities, and specifically telephone companies, it was certainly a victory for the phone companies," Doggett said.

This is the third consecutive session in which legislation to regulate public utilities was defeated.

In the consumer finance field, a bill by Rep. Bill Clayton of Springlake, HB 569, would have increased the add-on charge from \$8 to \$9 per \$100 on loans between \$300 and \$1000. It died in the Senate. Senate sponsors of the bill, Sens. Jack Ogg of Houston and Chet Brooks, of Pasadena, amended the bill in committee to increase the add-on charge to \$10.

The interest hike was buried in a bill described by its authors as a "truth in lending" measure.

Adverse publicity and the threat of a filibuster by Sen. William N. (Bill) Patman of Ganado prevented Senate consideration. Patman blasted

organized labor for refusing to take a stand on the measure.

"I wrote to Roy Evans (president of the Texas AFL-CIO) and asked him to testify against the bill in committee," Patman said. "I was told that it (interest rates) wasn't high on their priorities this time," he said.

House Fatality

The House killed a bill by Sen. William T. (Bill) Moore of Bryan which would have increased the legal interest rates on corporation loans over \$2500 by 8 percent from 10 to 18 percent. Critics charged, however, that Moore and his House sponsors had planned to try later to extend the increase to consumer loans as well.

The legislature passed SB 202 by Ogg, which critics contend will allow lenders to circumvent the current 10 percent ceiling on interest on mortgage and home repair loans.

Patman has urged Gov. Dolph Briscoe to veto the bill, blasting it as "the most disastrous bill from the standpoint of the borrowing public that has ever been presented in the Texas Legislature."

Ogg denies the bill will do this. Builders and mortgage bankers lobbied hard for the bill. Ogg got it through the Senate only after Lt. Gov. Hobby agreed to participate in a parliamentary trick that blocked the filibuster by Patman.

In the field of insurance, the legislature passed a modified competitive rate auto insurance bill, which Briscoe says is sure to save consumers money. A bill by Rep. Jim Clark of Pasadena, which would have allowed the sale of group automobile insurance, was killed by a Senate committee.

'Minimum' Savings

Clark contended that the legislature would provide a "minimum 20 percent" savings on premiums for persons participating in group plans. Hospitalization and other lines of insurance can now be sold on group plans. The measure has been strongly opposed by some segments of the insurance industry.

Other legislation passed and sent to the governor which would benefit the consumer includes:

- SB 252 by Sen. Bob Gamme of Houston prohibiting bill collectors from using harassing telephone calls, abusive language and unjustified threats of legal action to collect debts. Criminal penalties are provided.

- HB 750, by Rep. Mickey Leeland of Houston, which would require pharmacies to post their prices on the 100 most commonly prescribed drugs. Leeland says that the measure which will allow customers to shop for lower prices, will save consumers hundreds of thousands of dollars.

- HB 1684, by Rep. Matt Garcia of San Antonio, which would require landlords to refund rental deposits within 30 days after a renter moves out.

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- A bill by Sen. Bill Braecklein of Dallas providing a three-day "cooling-off period" during which a consumer can void at will any contract for any merchandise purchased from a door-to-door salesman.