

BILL ANALYSIS

Senate Research Center

S.B. 324
By: Armbrister
Business & Commerce
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Enrolled

DIGEST AND PURPOSE

Currently, Texas law exempts from the Credit Services Organization Act certain organizations licensed by the Consumer Credit Commission (commission). Authorized Internal Revenue Service (IRS) e-file providers, which facilitate loans on behalf of certain lending institutions, were formerly licensed by the commission and exempt from the Credit Services Organization Act. Authorized IRS e-file providers are no longer licensed by the commission; consequently, it is now unclear whether Texas law exempts those providers from the Credit Services Organization Act. S.B. 324 exempts authorized IRS e-file providers from the Credit Services Organization Act.

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 156.202, Finance Code, as follows:

Sec. 156.202. EXEMPTIONS. Provides that this chapter does not apply to certain entities and individuals.

SECTION 2. Amends Subsection (a), Finance Code, to include in the list of persons exempt from regulation as a credit services organization, an electronic return originator who is an authorized Internal Revenue Service e-file provider and who makes, negotiates, arranges for, or transacts a loan based on a person's federal income tax refund on behalf of certain lending institutions. Makes nonsubstantive changes.

SECTION 3. Effective date: upon passage or September 1, 2003.