

By: Flynn

H.J.R. No. 43

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the legislature
2 to define rates of interest for commercial loans.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Section 11, Article XVI, Texas Constitution, is
5 amended to read as follows:

6 Sec. 11. (a) The Legislature shall have authority to define
7 interest and fix maximum rates of interest; provided, however, in
8 the absence of legislation fixing maximum rates of interest all
9 contracts for a greater rate of interest than ten per centum (10%)
10 per annum shall be deemed usurious; provided, further, that in
11 contracts where no rate of interest is agreed upon, the rate shall
12 not exceed six per centum (6%) per annum.

13 (b) Notwithstanding Subsection (a), the Legislature, with
14 respect to commercial loans, may create exemptions from the maximum
15 rates of interest. For purposes of this subsection, "commercial
16 loan" means a loan made primarily for business, commercial,
17 investment, agricultural, or similar purposes and not primarily for
18 personal, family, or household purposes.

19 SECTION 2. This proposed constitutional amendment shall be
20 submitted to the voters at an election to be held November 8, 2005.
21 The ballot shall be printed to permit voting for or against the
22 proposition: "The constitutional amendment allowing the
23 legislature to define rates of interest for commercial loans."