

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 27, 2009**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB2438** by McCall (Relating to requirements regarding motor vehicle retail installment transactions.), **As Passed 2nd House**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend the Finance Code relating to retail installment contracts. Certain exceptions for retail installment transactions would be granted for contracts involving commercial vehicles.

The bill would require a retail seller to provide a buyer a complete disclosure of trade-in equity form before accepting a trade-in motor vehicle for a motor vehicle sold under a retail installment contract. The form would be prescribed by the Finance Commission. A retail seller would be able to include money advanced in a retail installment contract only if it is included as an itemized charge. The Office of Consumer Credit Commissioner (OCCC) would have jurisdiction over enforcement. Additionally, the Finance Commission would be able to adopt rules relating to the Federal Truth in Lending Act. The bill would amend Section 348.514 of the Finance Code by outlining information in an examination or investigation that would be confidential.

The bill would amend the Finance Code so that an advertised price of a motor vehicle would not necessarily establish a cash price. The bill would also allow the retirement of a buyer's outstanding money from a lease in connection with a retail installment contract.

Based on the analysis of the OCCC, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 466 Office of Consumer Credit Commissioner

**LBB Staff:** JOB, SZ, JRO, MW, ACa