

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

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

**May 30, 2009**

**TO:** Honorable David Dewhurst , Lieutenant Governor, Senate  
 Honorable Joe Straus, Speaker of the House, House of Representatives

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

**IN RE: HB3621** by Solomons (Relating to certain charges included in a motor vehicle installment agreement.), **Conference Committee Report**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3621, Conference Committee Report: an impact of \$0 through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2009
2010	(\$168,570)	\$168,570	2.0
2011	(\$166,070)	\$166,070	2.0
2012	(\$166,070)	\$166,070	2.0
2013	(\$166,070)	\$166,070	2.0
2014	(\$168,570)	\$168,570	2.0

**Fiscal Analysis**

The bill would amend Chapter 348 of the Finance Code relating to documentary fees charged for handling documents associated with a retail installment contract. The \$50 documentary fee cap on motor vehicle retail installment contracts would be removed, and retailers would instead be able to charge a reasonable fee. The commissioner would be able to review the reasonableness of the fee. The Finance Commission may adopt and enforce rules related to determining standards of reasonableness.

The bill would take effect September 1, 2009. A documentary fee charged before September 1, 2009, would be considered reasonable for the purposes of the section. To the extent of conflict and regardless of the relative dates of enactment, the bill would prevail over any other bill, including HB 4361 and SB 1965.

## **Methodology**

Based on information provided by the Office of Consumer Credit Commissioner, it is assumed that two additional positions would be needed to implement the provisions of the bill. These would include one Financial Examiner I at a salary and benefits cost of \$59,785 each year and one Attorney II at a salary and benefits cost of \$73,285 each year to determine what is reasonable, to enforce the rules that would be established, and to respond to consumer complaints. Other costs associated with the new full-time-equivalent positions (FTEs), including travel, operating expenses, and consumables would total \$33,000 each year. It is assumed that additional technology costs of \$2,500 in fiscal year 2010 and \$2,500 in fiscal year 2014 for computers and software for new positions would be realized as well.

The Office of Consumer Credit Commissioner is a self-leveling agency and is statutorily required to generate revenues sufficient to cover all of the agency's direct and indirect costs.

## **Technology**

Technology costs for the new FTEs include \$2,500 in fiscal year 2010 and \$2,500 in fiscal year 2014 for computers and software.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 466 Office of Consumer Credit Commissioner, 450 Department of Savings and Mortgage Lending, 451 Department of Banking, 469 Credit Union Department

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