

## **BILL ANALYSIS**

H.B. 1681

By: Harless

Pensions, Investments & Financial Services  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The Finance Commission is currently made up of nine members; four of which are members of regulated industries, and five of which are public members. In addition to coordinating the Texas Department of Banking and the Department of Savings and Mortgage Lending, the Finance Commission also oversees the Office of the Consumer Credit Commissioner (OCCC). The OCCC regulates various industries including consumer loans, pawnshops, and motor vehicle sales financing (MVSF).

Representatives of these industries combined are currently only eligible for one position on the Finance Commission. Despite making up the vast majority of MVSF licensees, an automobile dealer has never been appointed to a public position on the Finance Commission, leaving the industry and affected consumers without representation.

As proposed, HB 1681 alters the membership of the Finance Commission by replacing one of its five public member positions with a position for a regulated automobile dealer.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 1681 amends the Finance Code to require one member of the finance commission to be a motor vehicle seller finance licensee. The number of public members on the commission is reduced from five to four members.

The bill amends Section 11.102 (e) of the Finance Code to define "motor vehicle seller finance licensee" as a person who holds a license under Chapter 348, has five years or more experience as a Texas automobile dealer during the 7 years preceding the persons appointment, and is a dealer as defined by Section 503.001 Transportation Code.

The bill provides that changes made in law by this Act do not affect the entitlement of a member serving on the commission to continue to serve for the remainder of the person's term. The changes made apply only to appointment of commission members on or after the effective date of this Act.

### **EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2011.