

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

Revision 1

April 18, 2011

TO: Honorable Vicki Truitt, Chair, House Committee on Pensions, Investments & Financial Services

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

IN RE: HB2594 by Truitt (Relating to the licensing and regulation of certain credit services organizations and the regulation of certain extensions of consumer credit obtained by those organizations or with regard to which the organizations provide assistance; providing an administrative penalty.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Finance Code relating to the licensing and regulation of certain credit services organizations. The bill would also amend the Finance Code relating to the regulation of certain extensions of consumer credit obtained by those organizations. The bill would allow the Office of Consumer Credit Commissioner to charge fees for licenses and assess penalties for violations of the subchapter established by the bill. The bill would establish the Texas Financial Education Endowment. The bill would require each license holder to pay an annual assessment to improve consumer credit, financial education and asset-building opportunities in the state.

Based on the analysis of the Comptroller of Public Accounts this legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

The fiscal impacts of costs and revenues that may be generated in association with implementing the provisions of the bill for the Office of the Consumer Credit Commissioner, the Department of Banking, and the Department of Savings and Mortgage Lending are not considered in this analysis because fiscal impacts for these agencies would be realized outside of the Treasury due to these agencies being Self-Directed and Semi-Independent.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 307 Secretary of State, 466 Office of Consumer Credit Commissioner, 450 Department of Savings and Mortgage Lending, 451 Department of Banking

LBB Staff: JOB, RAN, AG