

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 26, 2011

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

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

IN RE: HB2931 by Woolley (Relating to certain debt cancellation agreements made in connection with retail installment contracts.), **As Passed 2nd House**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Finance Code relating to certain debt cancellation agreements made in connection with retail installment contracts.

Based on the analysis of the Comptroller of Public Accounts this legislation would allow for guaranteed asset protection waivers (GAP waivers) to be sold. GAP waivers are not subject to insurance premium tax, whereas GAP insurance is. It is not known the degree to which purchasers of GAP insurance would switch from traditional policies to waivers, and therefore any potential loss in insurance premium tax cannot be estimated.

Based on the analysis provided by the Texas Department of Insurance, it is assumed that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing agency resources.

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 are not considered in this analysis because fiscal impacts for this agency would be realized outside of the Treasury due to this agency being Self-Directed and Semi-Independent.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 454 Department of Insurance, 466 Office of Consumer Credit Commissioner

LBB Staff: JOB, KK, AG, MW, RAN, CH