

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 30, 2013

TO: Honorable Harvey Hilderbran, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2425 by Martinez, "Mando" (relating to the form, content, and provision of payoff statements for property tax loans.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend Section 32.06 of the Tax Code, relating to property tax loans, to require the Finance Commission, by rule, to prescribe the form and content of a request that a lender with an existing recorded lien on the property must use when requesting a payoff statement and the property tax lender's response to the request, including the period within which the property tax lender must respond. A lender with an existing recorded lien would be authorized to request a payoff statement before the tax loan becomes delinquent. The Finance Commission by rule would have to require a property tax lender to deliver a requested payoff statement on the prescribed form within a period prescribed by Finance Commission rule. The prescribed time period would have to allow the property tax lender at least seven business days after the date the request is received. The bill would allow the Consumer Credit Commissioner to assess an administrative penalty against a property tax lender who willfully fails to provide the payoff statement as prescribed by Finance Commission rule.

At the time a property tax lender provides the currently required disclosure statement, the property tax lender would have to describe the type and approximate cost range of each additional charge or fee that the property owner may incur in connection with the property tax loan.

The bill's provisions authorizing the Consumer Credit Commissioner to assess an administrative penalty is not considered in this analysis because any fiscal impact to this agency would be realized outside of the Treasury due to the agency being Self-Directed and Semi-Independent. The bill's other provisions would not affect taxable property values, tax rates, collection rates, or any other variable which might affect the revenues of units of local governments or the state.

This bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2013.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

LBB Staff: UP, KK, SJS, ED