

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 13, 2021

TO: Honorable Rafael Anchia, Chair, House Committee on Pensions, Investments & Financial Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB206 by Bernal (Relating to credit services organizations and extensions of consumer credit facilitated by credit services organizations; increasing a criminal penalty.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB206, As Introduced : an impact of \$0 through the biennium ending August 31, 2023.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from Local/Not Appropriated Funds 8888</i>	<i>Probable Revenue Gain/(Loss) from Local/Not Appropriated Funds 8888</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$291,585)	\$291,585	3.0
2023	(\$282,985)	\$282,985	3.0
2024	(\$282,985)	\$282,985	3.0
2025	(\$282,985)	\$282,985	3.0
2026	(\$286,585)	\$286,585	3.0

Fiscal Analysis

The bill would limit the number of refinances and number of installments for payday and title loans. The bill would also require a Credit Access Business (CAB) to review documentation establishing a consumer's income. CABs would be prohibited from assisting a consumer in obtaining loans other than payday or title loans, and be prohibited from transferring its license.

Methodology

The Office of Consumer Credit Commissioner (OCCC) is a self-directed, semi-independent state entity and does not receive appropriated funds. The OCCC is responsible for funding all direct and indirect operational costs and sets the amount of fees, penalties, charges, and revenues required to cover these costs.

The OCCC anticipates it would need to add three Financial Examiners along with other costs for a total of \$291,585 in FY 2022, \$282,985 in FY 2023-2025, and \$286,585 in FY 2026. The agency will recover its cost through assessment of CABs.

Technology

No fiscal implication to technology is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 452 Dept of License & Reg, 466 Consumer Credit Comm, 608 Department of Motor Vehicles

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