

**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: HB2813** by Turner, Chris (Relating to a restriction on total charges charged for extensions of consumer credit that a credit services organization obtains for a consumer or assists a consumer in obtaining.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2813, As Introduced : an impact of \$0 through the biennium ending August 31, 2023.

**General Revenue-Related Funds, Five- Year Impact:**

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

**All Funds, Five-Year Impact:**

| <i>Fiscal Year</i> | <b>Probable Savings/(Cost) from<br/>Local/Not Appropriated<br/>Funds<br/>8888</b> | <b>Probable Revenue Gain/(Loss)<br/>from<br/>Local/Not Appropriated<br/>Funds<br/>8888</b> | <b>Change in Number of State<br/>Employees from FY 2021</b> |
|--------------------|---|--|---|
| 2022               | \$500,164   | (\$500,164)  | (6.0)   |
| 2023               | \$550,164   | (\$550,164)  | (6.0)   |
| 2024               | \$550,164   | (\$550,164)  | (6.0)   |
| 2025               | \$550,164   | (\$550,164)  | (6.0)   |
| 2026               | \$551,664   | (\$551,664)  | (6.0)   |

**Fiscal Analysis**

The bill would create a 36% maximum annual percentage rate for any loan that a credit access business assists a consumer in obtaining.

**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 that the bill would reduce credit access business by 75%, therefore the agency would need to eliminate 75% of the 8 Financial Examiners that help with licensing exams for this type of business. This would total a decrease of 6 FTEs annually and result in the savings estimated above; it is assumed there would be a reduction in revenue due to these operations savings.

### **Technology**

No fiscal implication to technology is anticipated.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 466 Consumer Credit Comm

**LBB Staff:** JMc, AAL, MB, RRE