

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: HB3391 by Turner, Chris (Relating to fees paid to a third party in connection with certain extensions of consumer credit.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3391, As Introduced : an impact of \$0 through the biennium ending August 31, 2023.

General Revenue-Related Funds, Five- Year Impact:

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

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue Gain/(Loss) from Local/Not Appropriated Funds 8888	Probable Savings/(Cost) from Local/Not Appropriated Funds 8888	Change in Number of State Employees from FY 2021
2022	(\$630,052)	\$630,052	(8.0)
2023	(\$680,052)	\$680,052	(8.0)
2024	(\$680,052)	\$680,052	(8.0)
2025	(\$680,052)	\$680,052	(8.0)
2026	(\$681,552)	\$681,552	(8.0)

Fiscal Analysis

The bill would prohibit third-party fees for transacting, arranging, guaranteeing, or negotiating consumer loans.

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 this amendment would likely eliminate 90% of credit access business, which would

reduce the agency's staffing needs by eight FTEs and other costs in the amount of \$630,052 in FY 2022 and \$680,052 in FY 2023-2025. These operational savings are reflected above; it is assumed that revenue would also be reduced in like amounts to reflect reduced operations.

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