

BILL ANALYSIS

Senate Research Center

H.B. 4738
By: Geren (Zaffirini)
Finance
5/9/2025
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under the current Finance Code, a financial institution may charge an administrative fee for non-real property loans and secondary mortgage loans in amounts set by the Finance Code or by Finance Commission of Texas rule. For each fee collected, \$1 for non-real property loans and 50 cents for secondary mortgage loans may be deposited with the comptroller for use in carrying out the finance commission's responsibilities relating to a financial services study. As a self-directed semi-independent agency since 2009, the commission no longer receives appropriated funds and only collects minimal revenue from such fees.

H.B. 4738 would amend the Finance Code to remove the following statutory authorizations regarding the portion of loan administration fees remitted to the Comptroller of Public Accounts of the State of Texas (comptroller) related to certain consumer loans:

- non-real property consumer loans for the maximum interest charge and the applicable administrative fee, the authorization for one dollar of each applicable administrative fee collected to be deposited with the comptroller for use in carrying out the responsibilities of the Finance Commission of Texas under statutory provisions relating to a financial services study; and
- certain secondary mortgage consumer loans administrative fee, the authorization for 50 cents of each administrative fee collected to be deposited with the comptroller for use in carrying out those same responsibilities.

H.B. 4738 seeks to eliminate the collection of the fee as means to improve government efficiency and eliminate the unnecessary collection of government fees due to the lack of revenue generated.

H.B. 4738 amends current law relating to the elimination of the remittance of a portion of certain loan administration fees to the comptroller.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 342.201(f), Finance Code, to delete existing text authorizing one dollar of each administrative fee to be deposited with the Comptroller of Public Accounts of the State of Texas (comptroller) for use in carrying out the Finance Commission of Texas's (finance commission) responsibilities under Section 11.3055 (Financial Services Study).

SECTION 2. Amends Section 342.308(c), Finance Code, to delete existing text authorizing fifty cents of each administrative fee to be deposited with the comptroller for use in carrying out the finance commission's responsibilities under Section 11.3055.

SECTION 3. Provides that the change in law made by this Act does not affect tax liability accruing before the effective date of this Act. Provides that that liability continues in effect as if

this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 4. Effective date: January 1, 2026.