

BILL ANALYSIS

H.B. 4738
By: Geren
Pensions, Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current state law, administrative fees may be charged for non-real property loans and secondary mortgage loans, and for each such fee collected, \$1 for non-real property loans and 50 cents for secondary mortgage loans may be deposited with the comptroller of public accounts for use in carrying out the responsibilities of the Finance Commission of Texas relating to a financial services study. The bill author has informed the committee that, 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 seeks to improve government efficiency and eliminate the unnecessary collection of fees by removing certain provisions providing for the remittance of a portion of certain administrative fees associated with loan contracts to the comptroller.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 4738 amends the Finance Code to remove the following statutory authorizations regarding the portion of loan administration fees remitted to the comptroller of public accounts related to certain consumer loans:

- with respect to certain non-real property consumer loans in regard to 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
- with respect to certain secondary mortgage consumer loans in regard to the 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.

The bill does not affect tax liability accruing before the bill's effective date. That liability continues in effect as if a certain article 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.

EFFECTIVE DATE

Except as otherwise provided, January 1, 2026.