

BILL ANALYSIS

Senate Research Center

S.B. 1781
By: Ellis
Economic Development
4-9-97
As Filed

DIGEST

Currently, Texas law limits delinquency charges on retail credit accounts to \$10. Texas limits on delinquency charges puts Texas retailers at a significant disadvantage as they compete against out-of-state retailers. This bill would provide that delinquency charges not exceed \$20.

PURPOSE

As proposed, S.B. 1781 limits delinquency charges in retail charge agreements to \$20.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 79, Article 5069-6.03, V.T.C.S., to prohibit a delinquency charge on an installment in default for a period of more than 21 days from exceeding \$20, rather than \$10.

SECTION 2. Emergency clause.
Effective date: upon passage.