

## **BILL ANALYSIS**

Senate Research Center  
76R10154 WP-D

H.B. 744  
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Economic Development  
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Engrossed

### **DIGEST**

Currently, Texas law does not allow credit card issuers to charge an annual fee and limits fees for returned checks to \$15. No other fees are authorized. Also, credit card issuers based in Texas may not charge interest at an annual rate that exceeds certain statutory percentages. H.B. 744 would provide that an interest rate would be identical to the interest rate on consumer installment loans, and would establish several authorized fees with a cap on each fee.

### **PURPOSE**

As proposed, H.B. 744 provides an interest fee identical to the interest rate on consumer installment loans, and establishes several authorized fees with a cap on each fee, as relates to certain revolving credit accounts.

### **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 Section 346.101(a), Finance Code, to delete text regarding certain percentages of the average daily balance of a revolving credit account.

SECTION 2. Amends Section 346.103, Finance Code, to set forth certain fees to be charged to or collected from a customer in connection with an account. Prohibits a creditor from charging, contracting for, or receiving interest on fees authorized under this section. Deletes text regarding a revolving credit account.

SECTION 3. Amends Section 346.103, Finance Code, to set forth certain fees to be charged to or collected from a customer in connection with an account. Prohibits a creditor from charging, contracting for, or receiving interest on fees authorized under this section. Deletes text regarding certain revolving credit accounts.

SECTION 4. Amends Section 345.157, Finance Code, by amending Subsection (b) and adding Subsection (d), as follows:

(b) Prohibits the amount of a delinquency charge from exceeding \$15, rather than \$10.

(d) Requires the holder to remit 50 cents of each delinquency charge in excess of \$10 collected under this section to the comptroller, in the time and manner established by the comptroller, for deposit to the credit of an account in the general revenue fund. Authorizes one-half of the money in the account to be appropriated only to finance research conducted by the finance commission under Section 11.305 and the other one-half of the money in the account to be appropriated only to finance educational activities and counseling services under Section 394.001.

SECTION 5. Repealer: Section 303.009(e), Finance Code.

SECTION 6. (a) Effective date: September 1, 1999, except as provided by Subsections (b) and (c) of this section.

(b) Provides that Sections 2 and 5 of this Act take effect only if the Act of the 76th Legislature,

Regular Session, 1999, relating to nonsubstantive additions to and corrections in enacted codes, takes effect.

(c) Provides that Section 3 of this Act takes effect only if the Act of the 76th Legislature, Regular Session, 1999, relating to nonsubstantive additions to and corrections in enacted codes, does not take effect.

SECTION 6. Emergency clause.