

# Fiscal Analysis

## DEFERRED PRESENTMENT SERVICES



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**Bill/Sponsor**                      **SENATE BILL 474 (S-4), Sen. Valde Garcia**

**House Committee**                Commerce

### **Analysis**

#### **Summary**

Senate Bill 474 would create the Deferred Presentment Services Act. Deferred presentment is also known as payday lending or check advancement. The act would require licensure, license fees, maximum service fees and lending agreement limits on businesses engaged in deferred presentment services. The act would prescribe the duties of the Commissioner of the Office of Financial and Insurance Services (OFIS) in processing complaints, the licensing process and imposition of fines.

#### **Fiscal Impact**

The bill allows that licensing revenues, therefore the fee amount, be sufficient to cover the costs of regulating this industry. The bill also allows that civil fines could be assessed for noncompliance, with these fines deposited into the General Fund. It cannot be anticipated as to how many civil fines would be assessed, but it could be assumed that there would be a positive impact on the General Fund. There would be no fiscal impact to local units of government.

### **Analyst(s)**

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COMMITTEE ANALYSIS - 10/27/03

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