

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 1781  
By: Ellis  
Economic Development  
4-14-97  
Committee Report (Substituted)

### **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, C.S.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.

### **SUMMARY OF COMMITTEE CHANGES**

Makes no changes.